



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #183

UW System: New Construction Residence Hall Projects (Building Program)

Base Agency

[LFB 2007-09 Budget Summary: Page 625, #1 and Page 629, #2]

CURRENT LAW

Building program projects with costs exceeding \$500,000 are required to be enumerated in the authorized state building program. To enumerate a project, the Legislature lists the project title and budget in a non-statutory provision enacted as part of the biennial budget bill. In addition, the Legislature must authorize any new bonding needed to fund the project.

BUILDING COMMISSION

Enumerate six large projects relating to new construction of residence halls at UW System campuses, including: (a) UW-Madison Lakeshore residence hall development--\$67,227,000; (b) UW-Oshkosh suite-style residence hall--\$34,000,000; (c) UW-Parkside suite-style residence hall--\$17,740,000; (d) UW-River Falls George Fields South Forks residence hall addition--\$14,714,000; (e) UW-Stevens Point suite-style residence hall--\$36,205,000; and (f) UW-Whitewater suite-style residence hall--\$35,728,000. These projects have a total budget of \$205.6 million of program revenue supported general obligation bonding. Information relating to each of these projects is presented in the following sections of this paper.

DISCUSSION POINTS

Overview

1. Suite-style residence halls typically contain units that have four single-occupancy

bedrooms, a common living area, a kitchen area, and a bathroom. By contrast, most traditional residence halls feature double-occupancy rooms off of a double-loaded hallway and common bathrooms, lounges, and kitchens.

2. Suite-style residence halls generally offer greater amenities and more privacy to residents than traditional dorms and are popular with students. Proponents of suite-style residence halls argue that these facilities are needed in order to recruit and retain students. In addition, with greater options in terms of on-campus housing, more students, particularly upper-classmen and graduate students, are likely to live on campus. Studies have shown that students who live on campus do better academically and have higher retention and graduation rates.

3. Opponents of suite-style residence halls argue that these facilities are unnecessarily expensive. Suites designed for four students are often much larger than the equivalent double-occupancy rooms in a traditional residence halls. In addition, the plumbing and electrical wiring required for the semi-private bathrooms and kitchens generally make suite-style projects more costly than traditional residence hall projects.

4. The room rates for the suite-style residence halls would be significantly higher than those charged for the traditional residence halls. The proposed rates for the four new suite-style residence halls range from between \$3,800 and \$4,550, which may exceed the rates on existing double-occupancy rooms in traditional residence halls by more than \$1,000, a difference of 35% to 40%. The additions proposed at UW-River Falls would have a smaller effect on room rates. At that campus, residents in suite-style halls would be charged \$900, or 29%, more than their peers who occupy double-occupancy rooms in traditional residence halls.

5. Opponents of these suite-style residence halls argue that by increasing the cost of residence halls, these projects would have the effect of increasing the cost of education. Proponents of the suite-style projects note that these residence halls would be only one of the options available to students and that these projects would provide students with more choices regarding on-campus housing, and could be less expensive than an off-campus apartment. Traditional residence halls would still be available for students who cannot afford the suite-style halls or who prefer the traditional residence halls.

A. UW-Madison Lakeshore Residence Hall Development

6. This project would be built in two phases with completion of the first phase projected in 2010 and of the second phase in 2012. The first phase would construct a building with two residential wings and a food service facility, totaling approximately 171,820 gross square feet (GSF), as well as a 3,000 GSF addition to Bradley Hall.

7. The new food service facility would replace the current facility located in Holt Commons and would have seating for approximately 400. During the second phase, Holt Commons, which was built in 1957, would be demolished and a third residence hall with approximately 80,000 GSF would be built. This third residence hall would include space for

programming and student services that are currently housed in Holt Commons. The three proposed residence halls would have a capacity of approximately 500 beds.

8. This project would be enumerated with a project budget of \$67,227,000 of program revenue supported borrowing. This bonding would be self-amortizing general obligation bonding, with the debt service being paid from dormitory fees. Rates for rooms in the new halls would be higher than in existing halls.

9. The new residence halls are intended to address unmet demand by first-year students for space in residence halls. Based on information from the UW System, all Big Ten institutions except UW-Madison are able to guarantee first-year students on-campus housing.

B. UW-Oshkosh Suite Style Residence Hall

10. This project would construct a 148,000 GSF residence hall facility with suite-style living accommodations for approximately 400 students. Each suite in this proposed residence hall would have four single-occupancy bedrooms, a common living area, a kitchenette, and a bathroom. This would differ from the traditional double occupancy residence hall arrangements with common shower and toilet facilities.

11. This project would be enumerated with a budget of \$34,000,000 of program revenue supported borrowing. This bonding would be self-amortizing general obligation bonding, with the debt service being paid from dormitory fees. UW System staff indicates that the project would be financed through room rental rates charged to students who choose to live in the new units. It is estimated that academic year room rates would be \$3,800 per year. The current rate is \$2,500 per year for a non-improved double occupancy room on campus.

12. UW-Oshkosh currently has 10 residence halls with beds for approximately 2,900 students. These residence halls have a total of 745,000 GSF and were built between 1956 and 1967. The halls feature a large central corridor with student rooms on both sides and common shower and toilet facilities.

13. In 2004, Taylor Hall, one of 10 existing residence halls, was subject to a major renovation with a project budget of \$12 million. This project included a new entrance, electrical service, sprinkler system, windows, and air conditioning. Taylor Hall is the only residence hall that has been the subject of a large remodeling project. Taylor Hall remains a traditional hall with double occupancy rooms.

C. UW-Parkside Suite Style Residence Hall

14. This project would construct a 93,000 GSF suite-style residence hall facility with a capacity of 248 students. Four-person units would be constructed with single-occupancy bedrooms, a common living area, a kitchenette, and a bathroom. These would differ from the traditional double

occupancy residence hall arrangements with common shower and toilet facilities.

15. This project would be enumerated with a project budget of \$17,740,000 of program revenue supported borrowing. This bonding would be self-amortizing general obligation bonding, with the debt service being paid from dormitory fees. UW System staff indicates that the project would be financed through room rental rates charged to students who choose to live in the new units. It is estimated that academic year room rates would be \$4,550 per year, while the existing room rate for a double occupancy room is \$3,250 per year.

16. UW-Parkside currently has two residential facilities. There are 364 beds available at University Apartments, which was built as a 54-unit apartment complex in 1986. A second residence hall called Ranger Hall opened in 1997 with a capacity of 401 in a traditional dormitory-style facility. Since then, an additional 54 beds have been created by converting rooms formerly occupied by resident advisors to double-occupancy rooms and lounge areas into triple-occupancy rooms. However, this increase in beds has not kept pace with student demand and so 76 students were released from their housing contracts in 2006-07.

17. This project would represent the first of two phases that would eventually add 400 beds to the campus. The second phase would be constructed if market demand indicates that the additional rooms are needed.

D. UW-River Falls Field South Fork Suites Addition

18. The George R. Field South Fork Suites residence hall is a 240-bed suite-style residence hall. It has been fully occupied since it opened in fall 2005. The campus projects a shortfall of permanent beds on campus through 2009, which this proposed addition is intended to reduce.

19. This project would construct 75,000 GSF in additions to the Field South Fork Suites residence hall. The additions would include a 32-unit wing and a 28-unit wing. These 60 suites would each contain four private bedrooms, a common room, kitchenette, bathroom, and closet. The project would also construct a 120-space parking lot located to the east of the building, to address both the parking needs of residents of the addition as well as campus-wide demand for parking.

20. The proposed additions would be consistent with planning that was done at the time of the initial project and would be built on the sites that were identified for future expansion. The new suites would be built using the same design as the existing suites. Because the project would replicate the existing building design and be sited on locations that were previously identified, an accelerated design schedule and lower design fees are anticipated.

21. The project would have a budget of \$14,714,000 of program revenue supported bonding. A projected fee schedule from the campus included construction of these additions in future rates. Based on these estimates, in 2008-09 the rate would be \$3,081 for a double room and \$3,981 for a suite style room, including the costs associated with this proposed addition. According

to the campus facilities and fees plan, rates for double occupancy rooms would increase by 6.5% in each year from 2005-06 to 2009-10. In addition, annual parking fees would increase by \$27 due to the cost of creating the additional spaces. Parking permit fees for resident students are \$190 per year in 2006-07.

E. UW-Stevens Point Suite Style Residence Hall

22. This project would construct a 181,500 GSF residence hall facility with suite-style living accommodations for approximately 500 students. Fifty units with 200 beds in this proposed residence hall would have four single-occupancy bedrooms, a common living area, a kitchen, and a bathroom. The remaining 75 units with 300 beds would have the same layout but with a smaller kitchenette facility. These units would differ from the traditional double occupancy residence hall arrangements with common shower and toilet facilities.

23. This project would be enumerated with a project budget of \$36,205,000 of program revenue supported borrowing. This bonding would be self-amortizing general obligation bonding, with the debt service being paid from dormitory fees. UW System staff indicates that the project would be financed through room rental rates charged to students who choose to live in the new units. It is estimated that academic year room rates would be \$4,252 per year for the units with the larger kitchens, and \$4,051 per year for the rest of the units. The current rate is \$2,726 per year for a non-improved double occupancy room on campus.

24. UW-Stevens Point currently has 13 residence halls, 12 of which were built in the 1960s and one of which was built in 1957. These residence halls have a total of 700,000 GSF and approximately 3,100 beds.

25. As part of this proposal, Hyer Hall would be demolished to make room for this project. Hyer Hall is the smallest residence hall on campus with 180 beds and 40,400 GSF. With this demolition, the project would result in a net gain of approximately 300 beds on campus and would provide a wider array of on-campus housing options.

F. UW-Whitewater Suite Style Residence Hall

26. This project would construct a suite-style residence hall facility in either one or two buildings with a total capacity of approximately 450 students. Four-person units would be constructed with single-occupancy bedrooms; a common living area; a kitchenette with a sink, microwave, and a refrigerator; and a dedicated bathroom. These would differ from the traditional double occupancy residence hall arrangements with common shower and toilet facilities.

27. This project would be enumerated with a project budget of \$35,728,000 of program revenue supported borrowing. This bonding would be self-amortizing general obligation bonding, with the debt service paid by dormitory fees. UW System staff indicates that the project would be financed through room rental rates charged to students who choose to live in the new units. It is

estimated that academic year room rates for the new units would be \$4,518 per year, while the projected room rate for a double occupancy room would be \$3,054 per year.

28. As part of this project, two existing traditional style residence halls would be demolished. The first, Sayles Hall, with a capacity of 202 beds, would be demolished to clear the building site for a new College of Business and Economics building that was enumerated as part of the 2005-07 building program under 2005 Act 25. White Hall, with a capacity of 198 beds, would also be demolished as part of this proposed project. Both Sayles and White Halls are currently due for renovations. With this demolition, the project would result in a net gain of approximately 50 beds on campus.

29. This project is intended to provide students with more privacy and to retain juniors, seniors, and graduate students. In addition, having air conditioned rooms near the academic core of the campus may assist in the marketing of summer programming.

ALTERNATIVES TO BASE

A. UW-Madison Lakeshore Residence Hall Development

A1. Enumerate the UW-Madison Lakeshore residence hall development project with \$67,227,000 of PR supported bonding.

ALT A1	Change to Bill Funding	Change to Base Funding
BR	\$67,227,000	\$67,277,000

A2. Maintain current law, which would result in this project not being enumerated as part of the 2007-09 building program.

B. UW-Oshkosh Suite Style Residence Hall

B1. Enumerate the UW-Oshkosh suite style residence hall project with \$34,000,000 of PR supported bonding.

ALT B1	Change to Bill Funding	Change to Base Funding
BR	\$34,000,000	\$34,000,000

B2. Maintain current law, which would result in this project not being enumerated as part of the 2007-09 building program.

C. UW-Parkside Suite Style Residence Hall

C1. Enumerate the UW-Parkside suite style residence hall project with \$17,740,000 of PR supported bonding.

ALT C1	Change to Bill Funding	Change to Base Funding
BR	\$17,740,000	\$17,740,000

C2. Maintain current law, which would result in this project not being enumerated as part of the 2007-09 building program.

D. UW-River Falls Field South Forks Residence Hall Addition

D1. Enumerate the UW-River Falls George Fields South Forks residence hall addition project with \$14,714,000 of PR supported bonding.

ALT D1	Change to Bill Funding	Change to Base Funding
BR	\$14,714,000	\$14,714,000

D2. Maintain current law, which would result in this project not being enumerated as part of the 2007-09 building program.

E. UW-Stevens Point Suite Style Residence Hall

E1. Enumerate the UW-Stevens Point suite style residence hall project with \$36,205,000 of PR supported bonding.

ALT E1	Change to Bill Funding	Change to Base Funding
BR	\$36,205,000	\$36,205,000

E2. Maintain current law, which would result in this project not being enumerated as part of the 2007-09 building program.

F. UW-Whitewater Suite Style Residence Hall

F1. Enumerate the UW-Whitewater suite style residence hall project with \$35,728,000 of PR supported bonding.

ALT F1	Change to Bill Funding	Change to Base Funding
BR	\$35,728,000	\$35,728,000

F2. Maintain current law, which would result in this project not being enumerated as part of the 2007-09 building program.

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