

SB 92-202 Cash-Funded Capital Construction Request

University of Colorado -- Boulder

Willard and Hallett Residence Halls Recommissioning (202 Project)

PROGRAM PLAN STATUS

2010-073

Approved Program Plan? Yes No Date Approved:

PROJECT REQUEST AND COST ITEMIZATION INFORMATION

| <u>Fund Source</u> | <u>FY 2009-10 Request</u> | <u>Cost Item</u> | <u>FY 2009-10 Request</u> |
|--------------------|---------------------------|-----------------------|---------------------------|
| CF | \$10,925,000 | Land Acquisition | \$0 |
| | | Professional Services | \$648,588 |
| | | Construction | \$7,578,824 |
| | | Equipment | \$1,618,938 |
| | | Miscellaneous | \$94,015 |
| Total | \$10,925,000 | Total | \$10,925,000 |

SUMMARY

The University of Colorado at Boulder (CU-Boulder) is requesting cash funds spending authority to renovate 85,795 GSF in Willard Hall and 22,201 GSF in Hallett Hall to provide an additional 366 beds for students. Recommissioning these buildings as residence halls supports the university's master plan for an additional 1,900 beds by 2010. The buildings were originally constructed as residence halls in the 1950s, with double occupancy rooms and a hall director apartment on each floor. In the 1970s, portions of both buildings were converted to offices for administrative functions, and since then only 40 percent of each building's residential capacity has been used for student housing. The project includes renovations to provide proper egress and accessibility and the correct number of bathroom fixtures for the anticipated residential capacity. However, CU-Boulder says improvements to the buildings' systems are not included in this request because these upgrades are scheduled for 2022 as part of each building's overall master facility plan. The university expects Willard Hall to be ready for occupancy in fall 2010, and Hallett Hall in fall 2011.

Willard Hall renovations (\$7,175,000). The project will upgrade 36,560 GSF of existing residence hall space, and will renovate 49,235 GSF of office space currently used by the Department of Housing and Dining Services. According to the university, the bathroom layout and building finishes are functionally obsolete. The renovations will provide an additional 230 student beds, bringing the facility's minimum housing capacity to 426 students.

Hallett Hall renovations (\$3,750,000). The project will remodel office space currently used by the Department of Housing. The renovations will provide an additional 136 student beds, bringing the facility's minimum housing capacity to 494 students.

The university considered constructing a new residence hall or doing a comprehensive renovation of both residence halls, but ruled these options out due to the greater costs and longer timeline involved.

FUNDING SOURCE

See Questions / Outstanding Issues.

STAFF QUESTIONS AND ISSUES

1. The design, construction, operation, and maintenance work for this project can only be funded from one or more of the following cash sources: student fees, auxiliary facility funds, wholly endowed gifts and bequests, or research building revolving funds. Please identify the source(s) of funding for the project's design and construction costs.

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The Willard Hall project will be cash funded from Housing and Dining Services (HDS) auxiliary revenue (room and board rates). The Hallett Hall project will be bond financed and repaid via HDS auxiliary revenue (20 years at 5.5% interest = approx \$307,000 annual payment). HDS transfers \$1.875 million into its reserves each year and will continue for the next four years to cash fund the Willard Hall renovation project. These funds will come from postponing deferred maintenance projects. HDS has identified up to \$7.3 million by postponing infrastructure maintenance projects for the next 4 years. Additionally, the revenue that will be generated once the new beds become available will allow HDS to expedite its deferred maintenance plan and begin funding these projects within a four-year timeline. The revenue from the new beds will also be used to repay the bond financing.

2. Please identify the source(s) of funding for the facilities' estimated and ongoing operating and maintenance expenses.

Annual ongoing operating and maintenance expenses are estimated at \$330,678 for both buildings and are paid from housing and dining revenue.

3. Please provide information about auxiliary facility funds. You may state "not applicable" or "not available" if necessary, but please provide a brief explanation for such answers.

A. Please state why this facility fits the statutory definition of an auxiliary.

We're an auxiliary enterprise that receives no general fund support.

B. What is the source of funds generated by the auxiliary?

Room and Board

C. How much revenue will this auxiliary generate for this project?

Gross revenue of \$3,745,000.