

Agency: University of Alaska**Project Title:****Project Type:** New Construction and Land Acquisition

UAS - Banfield Hall Dormitory Addition

State Funding Requested: \$6,500,000
One-Time Need**House District:** Juneau Areawide (3-4)**Brief Project Description:**

The UAS dormitory in Juneau was built with room to add two additional wings. In recent years, the hall was completely occupied with waiting lists. This project will meet most of the pent-up freshman need by adding one wing with capacity for 60 students.

Funding Plan:

| | |
|-------------------------------|----------------------|
| Total Project Cost: | \$8,750,000 |
| Funding Already Secured: | (\$2,200,000) |
| FY2012 State Funding Request: | <u>(\$6,500,000)</u> |
| Project Deficit: | \$50,000 |

Funding Details:

The university's analysis (attached) shows it can bond for \$2.2 million of the project to be paid with student housing income.

Detailed Project Description and Justification:

The University of Alaska Southeast Juneau campus can't house all its students, and the problem is most pronounced with freshmen. Banfield Hall is UAS' freshman dormitory. Banfield has been at its full capacity of 84 students - with a waiting list - for several years.

UAS focuses a major portion of its recruitment efforts on rural Alaskans, many of whom choose to come to Juneau because of its size, programs, and caring reputation. These students need campus housing and accompanying support services. In 2010, Banfield hall was home to Alaskans from 36 different communities, including 16 Alaska Scholars. A positive, supported educational experience for freshmen is one of the keys to student retention, improving educational outcomes for Alaskans.

This project provides living spaces for 60 additional students. It also provides meeting space for advising and tutoring, and some spaces for socializing - all factors in student success and retention.

The project also includes repurposing and remodeling some existing space to provide food service in Banfield Hall. The area to be repurposed is the 'lodge' which currently serves as a miscellaneous use and meeting area. This will improve student support with no loss of existing rooms.

A look at several years' financial data for the hall reveals that the university can bond for \$2.2 million of the project cost.

Project Timeline:

Design can be complete by the end of calendar year 2011.
Construction can begin in the summer of 2012.
The new wing should be available for occupancy in fall of 2013.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

University of Alaska Southeast

Grant Recipient Contact Information:

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Has this project been through a public review process at the local level and is it a community priority? Yes No

Banfield Hall Addition

a dynamic learning community at UAS

GOALS

Banfield Hall will create a dynamic learning community where:

- ◆ A community of students support one another in their academic pursuits
- ◆ Students interact with the broader UAS community, both academically and socially, supporting retention and persistence to graduation
- ◆ Students engage in experiential learning—internships, undergraduate research, seminars
- ◆ Students develop an understanding and appreciation of diverse cultures and the variety of human experience
- ◆ Students experience leadership opportunities promoting civic responsibility and volunteerism

PROPOSED IMPROVEMENTS

- ◆ Space for 60 students in 15 four-person suites, including one that is ADA compliant
- ◆ Enhanced student support/academic spaces to provide instruction, tutoring, advising, special seminars, and student study rooms
- ◆ Central and common space at each wing, study room, laundry room, security office, conference/classroom, and storage
- ◆ Add a Hall Director apartment
- ◆ Remodel and enlarge the Housing Lodge to support limited food service.

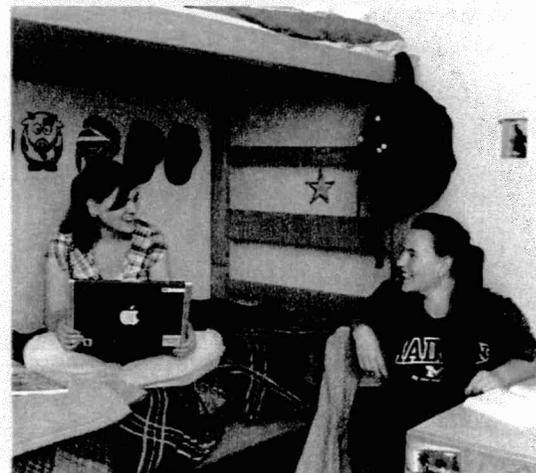
ESTIMATED CONSTRUCTION COSTS & SQUARE FOOTAGE

| | |
|----------------------------|----------------|
| Project Total Cost | \$8,750,000 |
| General Fund Request (75%) | \$6,562,500 |
| Debt Service (25%) | \$2,187,500 |
| Additional Space | 18,568 sq. ft. |



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The sixty-student addition to Banfield Hall will create a dynamic community for living and learning — aligning academic and social activities to promote student success and enhance retention. An expanded Banfield Hall will meet a critical need at UAS: to support new freshmen—those most 'at risk' of experiencing difficulties — as they navigate the transition from high school to university.



The proposed addition will become the place where new freshmen gain the knowledge, skills, and guidance they need for an effective transition from home to college. It will provide an academic and social setting where students will develop a sense of personal competence, social responsibility and connection to the broader UAS community. This first year experience will provide instruction, leadership opportunities, and social activities that forge relationships that promote freshman success.

The Banfield Hall Addition is designed to be an active, supportive and exciting place to live and learn. Academic spaces inside the building will promote faculty interaction with students — for teaching, advising, tutoring, and support. To further encourage social interaction, the remodel will include a food service program.



The Need

Solving the critical shortage of freshman housing and the need for a supportive learning community was recently highlighted in the new UAS Strategic and Assessment Plan, developed in 2010-11.

In recent years, Banfield Hall has been at 100% occupancy with a growing waitlist. UAS has students from 36 Alaskan

communities represented in the fall 2010 freshman class. Many of those students come from small rural communities in Interior and Southeast Alaska. Students say they are drawn to the Juneau Campus because of size, supportive atmosphere, and quality academic programs. Living in a supportive learning community is a major contributor to freshman success. Moreover, affordable housing is limited in Juneau, and forcing first-year students off campus deprives them of a critically-important network of academic and community support.

The sixty-bed addition to Banfield Hall is needed NOW. It is good for entering first-year students (and their parents) seeking a successful transition to college. It is good for UAS and the Juneau Campus — without it, growth will be seriously impeded. It is good for Juneau because a thriving UAS brings new economic activity and youthful energy to our community. And, it's good for all of Southeast Alaska — producing talented and motivated graduates who will be important contributors to our region's future.

University of Alaska Southeast
 Banfield Hall Addition
 Summary Financial Analysis

| Box 1 Current Space Inventory | | | | | | |
|-------------------------------|-------|-----|----------------|------------|-------------------|--|
| Building | ID | Age | Sq Ft. | Hsq. Units | Adj. Value | |
| Student Lodge | JS110 | 26 | 8,664 | - | 2,025,049 | |
| Banfield Hall | JS132 | 15 | 17,748 | 84 | 5,449,195 | |
| Student Apartments A | JS111 | 26 | 7,330 | 20 | 1,382,251 | |
| Student Apartments B | JS112 | 26 | 7,330 | 20 | 1,382,251 | |
| Student Apartments C | JS113 | 26 | 7,330 | 20 | 1,382,251 | |
| Student Apartments D | JS114 | 26 | 9,870 | 28 | 1,902,807 | |
| Student Apartments E | JS115 | 26 | 12,080 | 32 | 2,214,851 | |
| Student Apartments F | JS116 | 26 | 17,300 | 44 | 3,175,285 | |
| Student Apartments G | JS117 | 26 | 14,000 | 36 | 2,633,525 | |
| | | | <u>101,652</u> | <u>284</u> | <u>21,547,465</u> | |

| Box 2 Five Year History of Facility Operation Expense | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|--|
| | 10 | 09 | 08 | 07 | 06 | |
| Utilities | \$ 334,565 | \$ 268,305 | \$ 326,600 | \$ 262,407 | \$ 234,987 | |
| Custodial and Grounds | 76,838 | 76,676 | 60,243 | 56,239 | 38,741 | |
| Other Operating Expenses | 57,949 | 38,220 | 41,511 | 33,290 | 33,251 | |
| | <u>\$ 469,352</u> | <u>\$ 383,201</u> | <u>\$ 428,354</u> | <u>\$ 351,936</u> | <u>\$ 306,979</u> | |
| \$ / Square Foot | \$ 4.62 | \$ 3.77 | \$ 4.21 | \$ 3.46 | \$ 3.02 | |
| 5 Year Average | \$ 3.82 | | | | | |
| 5 Year Weighted Average | \$ 4.07 | | | | | |
| 5 Year % Increase | 42% | | | | | |
| Average Annual Increase | 8% | | | | | |

| Box 3 Square Footage, Cost, and Debt Allocation of Addition | | |
|---|--------------------|-----|
| Banfield Addition Square Footage | 18,568 | |
| Less Non-Housing Student Service & Instruction Space | | |
| 1st Floor Conference Room A | 180 | |
| 2nd Floor Activity Room | 640 | |
| 3rd Floor Conference Room B | 228 | |
| 3rd Floor Conference Room C | 330 | |
| | <u>1,378</u> | |
| Space assigned to Housing Auxiliary | 17,190 | |
| Total Capital Cost of Project | 8,750,000 | |
| Less Food Service Addition to Housing Lodge | <u>(2,000,000)</u> | |
| Net Cost of Addition to Banfield Hall | <u>6,750,000</u> | |
| Capital Investment in Housing Auxiliary | 6,249,058 | |
| Capital Investment in Student Service & Instruction Space | <u>500,942</u> | |
| | 6,750,000 | |
| Total Project Cost | 8,750,000 | |
| Requested State Appropriation | <u>6,562,500</u> | 75% |
| Institutional Share to be financed | 2,187,500 | 25% |
| Debt Attributable to Housing Auxiliary | 1,562,264 | |
| Debt Attributable to Food Services | 500,000 | |
| Debt Attributable to Student Service & Instruction | <u>125,236</u> | |
| | 2,187,500 | |

Box 4 Projected Debt Service and Debt Capacity

| | |
|--|--------------------|
| Amount to be Financed | 2,187,500 |
| Duration | 30 |
| Interest Rate | 4.00% |
| Projected Annual Debt Service | 125,322 |
| | |
| Debt Service Attributable to Housing Auxiliary | 89,502 |
| Debt Service Attributable to Food Services | 28,645 |
| Debt Service Attributable to Student Service & Instruction | <u>7,175</u> |
| Projected Annual Debt Service | 125,322 |
| | |
| UAS Unrestricted Revenues FY10 | 38,700,000 |
| BOR Limit on Debt | 5% |
| | |
| FY 2010 Calculated Capacity | 1,935,000 |
| UAS Current Maximum Debt Service (2014) | <u>(1,022,534)</u> |
| Available Capacity | 912,466 |
| | |
| Project's Debt Service | <u>125,322</u> |
| | |
| Excess Capacity | 787,144 |

Box 5 Projected Annual Incremental Housing Expense

| | |
|--|---------------|
| Projected Housing Facilities Operation's Expense | 69,989 * |
| Projected Housing M&R Expense | 124,981 ** |
| Projected Housing Debt Service | <u>89,502</u> |
| Total Incremental Costs | 284,472 |

* Housing Auxiliary Square Footage times the 5 year weighted average facility operation's expense / square foot.

** According to UA Capital Budget Guidelines for FY11-16, National Standards prescribe budgeting between 2%-4% of the assets' value as the appropriate annual expense for M&R.

Box 6 Projected Annual Incremental Housing Revenue

| | | |
|---|------------|----------------|
| Revenue from New Rooms | | |
| 2011-2012 rate / semester | 2,100 | |
| New Beds in Facility | <u>60</u> | |
| Semester Revenues | 126,000 | |
| Annual Academic Contract Revenue | | 252,000 |
| | | |
| Revenue Due Auxiliary from Student Services: | | |
| CA Suites 1st and 3rd Floor | | |
| 2011-2012 rate / semester | 2,100 | |
| Beds assigned to CA's | <u>4</u> | |
| Semester Revenues | 8,400 | |
| Annual Academic Contract Revenue | | 16,800 |
| | | |
| Imputed Compensation for Res. Life Manager Suite: | | |
| FMV Monthly Adjusted Rent in Juneau, AK | 1,115 | |
| 12 month contract | <u>12</u> | |
| | | 13,380 |
| | | |
| New Summer Conference Revenue: | | |
| UAS Average Summer Revenue (FY6-FY10) | 300,000 | |
| Current Total Bed Inventory | <u>284</u> | |
| Average Per Bed | 1,056 | |
| New Beds | <u>60</u> | |
| | | <u>63,360</u> |
| | | |
| Total Annual Incremental Revenue | | 345,540 |
| Total Annual Incremental Expenses | | <u>284,472</u> |
| Net Incremental Profit / (Loss) | | 61,068 |

Notes to Financial Analysis

Box 1 Current Space Inventory - Details the current inventory of beds and square footage designated for use as student housing. The total includes the existing 17,748 in Banfield Hall. The proposed project adds 18,568 square feet including 17,190 square feet in residence quarters and 1,378 square feet in classroom space. The project will also repurpose much of the 8,654 square feet in the student lodge to serve as a new dining and food service facility.

Box 2 Five Year History of Facility Operations Expense- Provides a five-year history of facilities related expenses incurred by the housing auxiliary at UAS. Past experience was used to determine a weighted average cost per square foot for the incremental expenses of operating a new facility. To determine the operating cost per square foot total expenses were divided by the total square footage as indicated in Box 1, current space inventory. The personal services expense related to the auxiliary's administrative, technical and professional staff, non-exempt employees, and student staff, were not modeled. With the addition of sixty beds current staffing would allow the University to achieve some economies of scale without addition staff.

Box 3 Square Footage, Cost, and Debt Allocation of Addition- The addition has three goals. They are to provide additional beds, relocate food service closer to housing, and provide infrastructure for building for delivering freshman programming. As mentioned the proposed addition adds 18,568 to Banfield Hall. Fifteen two bedroom double occupancy suites will add 17,190 square feet. The remaining 1,378 will be classrooms dedicated to student service and instruction. Total project's total cost is \$8.75 million. \$2.0 million is the estimate of the cost to remodel the lodge. The remaining \$6.75 million is allocated between housing and student service and instruction space on pro-rata based on square footage. Housing will be assigned \$6,249 million while the additional classroom space will cost an additional \$500 thousand.

The University is requesting 75% funding or \$6.5 million as state appropriation to fund the project. The remaining \$2.2 million will be bonded by the university and serviced with revenues from the facility. The allocation of debt is assigned pro-rata using assigned cost as the basis. \$1.6 million will be assigned to the Housing Auxiliary, \$500 thousand to Food Service, and \$125 thousand to Student Services and Instruction.

Box 4 Projected Debt Service and Debt Capacity- To finance \$2.2 for 30 years at 4% would cost the University approximately \$125,322 in debt service. A rate of 4% is comparable to what the University was able to obtain in its most recent offering. Debt service is allocated to the Housing Auxiliary, Food Service, and Student Services and Instruction on a pro-rata basis.

The University is well under the BOR's limit of 5% of unrestricted revenues. Fiscal year 2010 unrestricted revenue was \$38.7 million resulting in a debt Service cap of \$1.9 million. UAS's current maximum debt service year is 2014 at total debt service of \$1,022,534. With the additional \$125,322 from this project the University would remain well under the BOR limit of 5%.

Box 5 Incremental Housing Auxiliary Expenses- Incremental Facilities operations expense is estimated at an additional \$69,989 per year. This is calculated as housing auxiliary space (17,190) X the 5 year weighted average of facilities operation's expense or (\$4.07/sq ft). M&R was determined as 2% of the Housing Auxiliary's acquisition costs or 2% X \$6,249,058 for an incremental cost of \$124,981. Debt service related to the Housing Auxiliary is equal to total project debt service of \$125,322 * the quotient of \$1,562,264/\$2,187,500 or debt assigned to housing divided by project's total debt. The result is an incremental cost in debt service of \$89,502. Total incremental costs are \$284,472.

Box 6 Incremental Housing Revenue - The incremental revenue for the housing portion of the project comes from three sources; annual academic contracts, summer conference housing, and amounts paid to the auxiliary by Student Services for housing administrative manager and student CA's quarters. Academic contracts for FY11 have been set at \$2,100 per semester. With an additional sixty rooms that would generate \$252,000 in annual academic contract revenue. Student Services pays for the in-residence manager's suite. The value is equal to a fair market value rent in Juneau of \$1,115 per month times 12 months or \$13,380 per year. In addition Student Services pays for the CAs' beds. These are paid at the academic contract rate per student and results in an additional \$16,800 per year in revenue. Over the last 5 year's the University has earned approximately \$300,000 in summer contracts and conference rentals. Since the University has 284 beds in its inventory, the average revenue per room during the summer is \$1,056. An additional sixty beds would allow the Auxiliary to earn an estimated \$63,360 each summer.

UAS Fall 2010 First Time Freshmen by Alaska High School

| AK High School | FTF Apps | |
|------------------------|----------|------------|
| Juneau | | 105 |
| Juneau-Douglas | 80 | |
| Yaakoosge | 10 | |
| Thunder Mt | 15 | |
| Ketchikan | | 23 |
| Ketchikan | 19 | |
| Revilla | 4 | |
| Sitka | | 17 |
| Mt Edgecumbe | 8 | |
| Sitka | 7 | |
| Pacific | 2 | |
| Other Southeast | | 38 |
| Metlakatla | 4 | |
| Wrangell | 4 | |
| Craig | 3 | |
| (SE) Howard Valentine | 2 | |
| Gustavus | 2 | |
| Petersburg | 6 | |
| Yakutat | 2 | |
| Angoon | 2 | |
| Haines | 4 | |
| Hoonah | 1 | |
| Hydaburg | 1 | |
| Kake | 1 | |
| Klawock | 3 | |
| Skagway | 1 | |
| Thorne Bay | 1 | |
| Port Protection | 1 | |
| | | |
| Anchorage | | 20 |
| (A) Bartlett | 7 | |
| (A) Chugiak | 3 | |
| (A) South | 2 | |
| (A) Dimond | 2 | |
| (A) Eagle River | 2 | |
| (A) East | 1 | |
| (A) West | 1 | |
| (A) Grace Christian | 1 | |
| (A) Benson | 1 | |
| MatSu | | 18 |
| (M) Colony | 6 | |
| (M) Palmer | 6 | |
| (M) Wasilla | 4 | |
| (M) Valley Pathways | 1 | |
| (M) Twidley-Bridge | 1 | |
| Fairbanks | | 17 |
| (F) West Valley | 3 | |
| (F) Lathrop | 4 | |
| (F) North Pole | 3 | |
| (F) Eielson | 2 | |
| (F) Hutchison | 1 | |
| (F) Effie Kokrine | 1 | |
| (F) Mid-Valley | 1 | |
| (F) Monroe | 1 | |

UAS Fall 2010 First Time Freshmen by Alaska High School

| | | |
|-------------------------|------------|-----------|
| (F) Tri-Valley | 1 | |
| Kenai | | 10 |
| (K) Homer | 4 | |
| (K) Soldotna | 2 | |
| (K) Susan Block English | 1 | |
| Nikiski | 1 | |
| Nanwalek | 1 | |
| Kenai | 1 | |
| Other Alaska | | 29 |
| Kodiak | 2 | |
| Valdez | 2 | |
| Cantwell | 1 | |
| Chignik | 1 | |
| Seward | 1 | |
| Akuik School | 4 | |
| Dillingham | 3 | |
| Alakanuk | 1 | |
| (YK) CZJ Williams Mem | 2 | |
| Cold Bay | 1 | |
| King Cove | 1 | |
| Emmonak | 2 | |
| Willmar (Girdwood) | 1 | |
| Wales Kingikmuit | 1 | |
| Nome Beltz | 2 | |
| Kotzebue | 1 | |
| Barrow | 1 | |
| Noorvik | 1 | |
| James C Isabell(Teller) | 1 | |
| Coorespondence | | 11 |
| IDEA | 7 | |
| Raven | 2 | |
| PACE | 1 | |
| Cyberlynx | 1 | |
| | | |
| Total | 288 | |