

**Agendum
Oakland University
Board of Trustees Formal Session
December 3, 2012**

DEVELOPMENT OF STUDENT HOUSING COMPLEX

Recommendation

1. **Division and Department:** Student Affairs and Enrollment Management and Finance and Administration Divisions
2. **Introduction:** Six years ago, the University began preparing for an anticipated increase in student housing demand. Preliminary work was completed by three external consultants between 2006 and 2009 including:

A: Brailsford and Dunlavey conducted a market study to determine the condition of existing housing, peer institution and off-campus markets and student demand. They concluded that Oakland's residence halls require modernization and maintenance to remain attractive to students.

B: Commercial development consultants, Taubman and Associates, studied the feasibility of acquiring off-campus properties in 2008 but recommended against it.

C: Design Plus architects and Investment Property Associates, Inc. created a housing master plan in 2009 and recommended the addition of 438(+/-) beds based on student needs analysis, market factors, site and financial analysis.

On-campus housing demand has continued to grow as a result of enrollment growth, student recruitment outside Oakland and Macomb counties, two professional school affiliations, and significant increases in Honors College students whose scholarships allow them to live on campus. Between 2008 and 2012, contract requests rose by 37 percent. The conversion of all singles to doubles, along with returning administrative spaces to residential rooms, was not sufficient to keep up with demand. At the start of the 2011 and 2012 fall semesters some students were housed at Homestead Extended Stay Motel across Squirrel Road.

More recent planning steps for added housing include:

October 2011: Request for Proposals were widely distributed for financing, design, construction, and management of housing. From a pool of twelve respondents, five finalists were selected by an Oversight Committee consisting of representatives of the Board of Trustees (Board), student affairs, finance and administration, capital planning and design, purchasing, housing, and student government.

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June 2012: Public Financial Management, Inc. (PFM) was hired to evaluate and advise the University on public/private partnerships relative to a housing development. The consultant and Oversight Committee issued a supplemental RFP to the five finalists and interviewed each finalist.

October 2012: The Board of Trustees requested PFM to provide a summary analysis of proposed financing methods and recommend the best way to complete new housing by Fall 2014. The University issued an RFP to five finalists based on PFM's recommendation that the University finance and manage the project and optimize its size for design and cost efficiencies.

November 2012: From five finalists, two teams (NeumannSmith/Frank Rewold and Signet/Skanska/Lord-Aeck-Sargent) were selected for campus interviews based on their proposed design, schedule, size and cost.

The Oversight Committee included:

Dennis Pawley, Board of Trustees
Ron Robinson, Board of Trustees
Jay Shah, Board of Trustees
John Beaghan, Vice President for Finance and Administration
Mary Beth Snyder, Vice President for Student Affairs and Enrollment Management
Maria Ebner-Smith, Purchasing Manager
Maria Michalowski, Capital Planning and Design
Terry Stollsteimer, Associate Vice President for Facilities Management
Jim Zentmeyer, Director of University Housing
Steve Zmich, Director Capital Planning and Design
Jessica Dragowski, Student Trustee Liaison
Benjamin Eveslage, Student Trustee Liaison
Robbie Williford, Student Body Vice President
Samantha Wolfe, Student Body President

Based on a thorough review and evaluation process, the Oversight Committee recommended that NeumannSmith/Frank Rewold be engaged to provide architectural, engineering and construction management services for an approximately 550-bed Housing Complex to open in Fall 2014 with a total cost not to exceed \$29,950,000, which includes a 6% owner controlled contingency, for schematic design, design development, construction documents, construction administration, construction, telecommunications, furnishings, fees, and equipment.

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The project will be financed exclusively with proceeds from the sale of bonds with debt service and ongoing operations covered by future student rental income. The bond documents will be presented for Board approval at a future Board meeting.

3. **Previous Board Action:** On April 5, 2001, the Board authorized the last housing expansion of 464 beds, now known as the Ann V. Nicholson Student Apartments, opening in Fall 2002 at a cost of \$21 million through the sale of bonds.
4. **Budget Implications:** Beginning in FY2014, upon Board approval, debt service on the Housing Complex will be budgeted in the annual University Housing auxiliary budget that derives its revenue primarily from room and board charges.
5. **Educational Implications:** The ratio of on-campus beds to student enrollment is known to be highly correlated with institutional retention and graduation rates. Freshmen and sophomores who reside in campus housing have a greater sense of belonging to a community and, thus, become more fully engaged in academic and social opportunities. Added housing will also enable the University to become more geographically diverse and attractive to top scholarship students who have many higher education alternatives.
6. **Personnel Implications:** New housing will be fully integrated into the management and operational infrastructure of the existing residential auxiliary organization with appropriate staffing increases.
7. **University Reviews/Approvals:** This recommendation was formulated by the Associate Vice President for Facilities Management and Director of University Housing and reviewed by the Oversight Committee.
8. **Recommendation:**

RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to negotiate and execute design-build contracts with NeumannSmith/Frank Rewold for architectural, engineering and construction management services for the Housing Complex; and, be it further

RESOLVED, that the total cost for all architectural, engineering, construction and construction management services for the Housing Complex will not exceed \$29,950,000, which includes a 6% owner controlled contingency; and, be it further

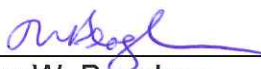
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RESOLVED, that the contract be reviewed and approved by the office of the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and University policies and regulations, and conform to legal standards and policies of the Vice president for Legal Affairs and General Counsel; and, be it further

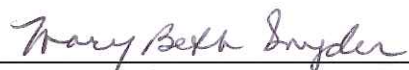
RESOLVED, that consistent with Board of Trustees policy, the schematic design and bond documents will be presented to the Board of Trustees for approval prior to proceeding with construction and bond issuance.

9. Attachments: None

Submitted to the University President
on 11/30, 2012 by

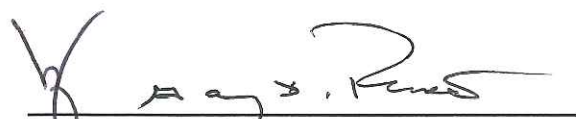


John W. Beaghan
Vice President for Finance and Administration
And Treasurer to the Board of Trustees



Mary Beth Snyder
Vice President for Student Affairs
and Enrollment Management

Recommended on 11/30, 2012
to the Board for approval by



Gary D. Russi
President