

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**

**AGENDA ITEM: 7 – I**

**DATE: May 8-10, 2018**

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**SUBJECT**

**Dakota State University New Housing and Student Life Facility Preliminary Facility Statement**

**CONTROLLING STATUTE, RULE, OR POLICY**

- [SDCL 5-14-1](#) Classification of Capital Improvements
- [SDCL 5-14-2](#) Supervision by Bureau of Administration of Capital Improvement Projects – Payment of Appropriated Funds
- [SDCL 5-14-3](#) Preparation of Plans and Specifications for Capital Improvements – State Building Committees – Approval by Board or Commission in Charge of Institution
- [BOR Policy 6:4](#) Capital Improvements
- [BOR Policy 6:6](#) Maintenance and Repair

**BACKGROUND / DISCUSSION**

DSU is submitting its Preliminary Facility Statement for a new facility to accommodate student housing and life space. DSU currently has four traditional-style residence halls that provide most of the on-campus living opportunities. All were constructed between 1963 and 1971. In the fall of 2017, the Courtyard Hall (formerly Madison Hospital) opened at DSU, adding 107 beds to the campus. In addition to the four traditional halls and the Courtyard, DSU leases two eight-plex apartments from the Madison Housing Authority; each apartment features a full kitchen.

DSU continues to see growth in housing demands both from incoming freshman students and upper-class students looking to remain close to campus. After adding 107 beds to DSU’s inventory by opening the Courtyard Hall, a 16.3 percent increase in capacity, DSU housing was still 94.23 percent utilized in the fall of 2017. With additional growth projected for fall of 2018 and beyond, housing capacity will quickly become a limiting factor to the growth potential at DSU.

Additional details of the Preliminary Facility Statement can be reviewed in Attachment I.

(Continued)

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**DRAFT MOTION 20180508\_7-I:**

I move to approve DSU’s Preliminary Facility Statement for a new Housing and Student Life facility.

## **IMPACT AND RECOMMENDATIONS**

The university is asking to hire an architect to assist with the design and costs of a housing project. In addition to that information, the facility program plan will need to provide a full understanding of the DSU housing market and capacity; the demographic population of the current students being housed now and into the future; enrollment history and projections; the current and future debt capacity of the institution assuming 90% occupancy; a pro forma for the project; the impact on housing rates for current students; the coverage ratios; alternative housing options; and the risks and fallback plan if enrollment projections are not met.

The project will be funded from the issuance of bonds to be repaid with housing revenues over 25 years.

Allowing Dakota State University to move forward with a Preliminary Facility Statement will allow them to gather important information needed to analyze the feasibility and size of a housing project. This step only allows for planning; the project is actually not approved until the Facility Program Plan is approved.

It is recommended that DSU be allowed to move forward with their planning.

## **ATTACHMENTS**

Attachment I – DSU New Housing and Student Life Facility PFS

# Preliminary Facility Statement

## DSU Housing

**MAY 2018**

Dakota State University requests approval of this Preliminary Facility Statement to complete preliminary planning for a facility to provide residence halls and student life space.

### **A. General programmatic needs to be addressed**

Dakota State University currently has four traditional-style residence halls that provide most of the on-campus living opportunities. All were constructed between 1963 and 1971, but were renovated in 2008 and 2009, allowing for improvements to the restrooms, showers, windows, HVAC, and other infrastructure improvements.

In the fall of 2017, the Courtyard Hall opened at DSU, adding 107 beds to the campus. This facility was a former hospital. Most of the space was renovated into double occupancy rooms, but several designed single rooms and five suites were also created; the suites are four-beds (two bedrooms) per suite.

In addition to the four traditional halls and the Courtyard, DSU leases two eight-plex apartment complexes from the Madison Housing Authority; each apartment features a full kitchen. These provide additional housing options for DSU students within two blocks of the main campus.

DSU continues to see growth in housing demands both from incoming freshman students and upper-class students looking to remain close to campus. After adding 107 beds to DSU inventory by opening the Courtyard Hall, a 16.3 percent increase in capacity, DSU housing was still 94.23 percent utilized in the fall of 2017. With additional growth projected for fall of 2018 and beyond, housing capacity will quickly become a limiting factor to the growth potential at DSU.

The DSU Rising program – gift dollars from Miles and Lisa Beacom and Denny Sanford, and grant dollars from the South Dakota Future Fund – will also drive additional enrollment at the DSU campus. Specifically, the program budget includes student scholarships of \$4.225 Million over the next 10 years which will enhance DSU's ability to attract students. Marketing dollars budgeted in the program of \$3.29 Million over 6 years will enhance recruiting, name recognition, and awareness of DSU which will indirectly and directly contribute to enrollment growth.

Therefore, DSU is requesting approval of the Preliminary Facility Statement for a new housing complex. This would allow the university to select an architectural firm to assist in the planning process for a new residence hall.

**B. Analysis of the student body or constituents to be served**

DSU currently has over 700 students living on campus and a capacity of 762. A new hall would allow DSU to continue to grow and to potentially offer additional types of housing. New housing inventory would also enhance the ability to accommodate special needs assignments and may enhance the ability to provide living/learning programs, theme housing and first-year interest group housing requests that is predicted will continue to be more prevalent.

**C. Additional services to be offered**

This new facility will also significantly enhance the flexibility and ability to place individuals on campus for summer conferencing. Air conditioning throughout the facility, well positioned laundry areas, storage space and private and group common spaces will be appreciated by residents and housing administration.

The specific design and quantity of housing will be determined during the planning process; however, it is anticipated that suite style or semi-suite style housing will be desired and a range of 200 to 300 beds. Both style and quantity of beds will be dependent upon cost estimates and enrollment projections.

**D. Compliance with master plan**

DSU completed an Auxiliary Master Plan that included student housing in 2015. The development of this specific project will follow that plan in identifying the specific location, size, and type of housing needed for DSU.

**E. Analysis of needs assessment based on the facilities utilization report**

DSU opened the Courtyard Hall in August 2017. This increased housing at DSU by 107 beds – a 16.3 percent increase in capacity. Even with that increased capacity, DSU had over a 94 percent occupancy rate for fall 2017. Based on current application rates for the next school year and projected future growth that will be driven by program demand and increased scholarships, DSU anticipates a need for increased housing capacity to accommodate the growth of on-campus students. A more in-depth analysis of the potential demand will be conducted as part of the next step in the planning process.

Capacity and occupancy rates for the last three years are provided in the following table:

	Fall 2015	Fall 2016	Fall 2017
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<b>Capacity</b>	655	655	762
<b>Occupancy %</b>	93.59%	101.53%	94.23%

#### **F. Location**

The exact location of this new facility will be determined as part of the next stage of planning. Several potential locations were identified in the Auxiliary Master Plan completed by DSU in 2015, including a parcel of land north of the Courtyard Hall and south of the Dakota Prairie Playhouse, but all options will be evaluated before making a final recommendation.

#### **G. Reallocation or demolition of old space, if any**

The Auxiliary Master Plan identifies Zimmermann Hall as a facility that would be demolished in the long-term plan, but at this time it is needed to meet housing demand. It is not anticipated that Zimmermann Hall will be removed as part of this phase.

#### **H. Proposed funding source/sources**

The planned funding source for this project will be from the issuance of bonds, to be repaid with housing fees. Other options, such as Private-Public-Partnerships will also be explored to determine the best option for financing or funding the project.

#### **I. Budget for development of a Facility Program Plan**

Funding for the Facility Program Plan will come from auxiliary revenues.