

**SOUTH DAKOTA BOARD OF REGENTS**

**Committee on Budget and Finance**

**AGENDA ITEM: III – D**

**DATE: June 10-11, 2015**

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**SUBJECT: Northern State University New Residence Hall / Replace Jerde Hall Preliminary Facility Statement**

Northern State University requests approval of its Preliminary Facility Statement to plan for the construction of an additional residence hall to replace the existing Jerde Hall. This project would allow NSU to provide student housing options on campus to create a more positive living environment.

Fall 2014 housing utilization decreased to the lowest level in five years. There are a variety of reasons for this decline, but the current outdated facility is not attractive with limited student interest. A new facility with housing options and amenities would be more attractive to all students, especially upper classmen.

A new facility would replace the traditional two person rooms in Jerde Hall with modern, air-conditioned, suite-style rooms. The facility would also meet current Americans with Disabilities Act (ADA) standards which Jerde Hall currently does not.

In addition, community areas within the facility would provide space to interact and participate in residence life programming events. Laundry facilities and a small convenience store would also be included.

The project cost is estimated at \$35,000,000. Funding for this facility would be provided by a third party entity and NSU would not rely on any revenue bonds. The funds would be non-recourse to NSU allowing debt payments to be limited to what the building rents will support.

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**RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR**

Approve NSU's Preliminary Facility Statement to plan for construction of an additional residence hall to replace Jerde Hall at an estimated cost of \$35,000,000. This will allow NSU to develop a program plan including more specific cost estimates and options. Funding for this housing project will come from a third party entity with no risk to NSU or BOR at any point. The debt payments will be limited to what building rents will support. The Board President should appoint a Building Committee representative to oversee the planning of this project. The replacement of Lindberg Hall will be put on hold until this facility is in operation and enrollments and utilization can be fully assessed.

Neither NSU nor the Board of Regents would at any point be liable for the debt service or debt payments for this facility thus creating no risk to the revenue system.

Additional details of this project can be found in NSU's attached Preliminary Facility Statement document.

In December of 2014, the Board approved a new residence hall for NSU. The hall would replace 64 beds in Lindberg and add 86 new beds. The project planning for this hall is still underway. NSU is looking at a Design/Bid/Build model to get the best pricing for what would likely be a stick built building similar to Coyote Village. The Board has required that financial projections for new projects be at a minimum of 90%. This is a challenge because the current utilization rates at NSU are at 83%. As stated earlier, NSU believes that part of their challenge to attract students is the quality and type of housing offerings. To minimize risks to all parties, taking advantage of the non-recourse financing for the replacement of Jerde Hall should be done first. This new housing option should improve utilization at NSU allowing future housing projects to be considered.

**PRELIMINARY FACILITY STATEMENT**  
**New Residence Hall - Replacement of Jerde Hall**  
**Northern State University**

Northern State University (NSU) requests approval of this Preliminary Facility Statement for the construction of a residence hall to replace the existing Jerde Hall facility.

**1. GENERAL PROGRAMMATIC NEED TO BE ADDRESSED**

NSU is interested in substantially improving student housing options on campus by replacing the existing Jerde Hall facility with a new residence hall that would house approximately 400 students. Jerde Hall was built in 1968 and accommodates nearly 360 students. The rooms are traditional two person rooms approximately 136 square feet in size furnished with loftable beds, desks, dressers and built in closets. There are community style restrooms and community lobby spaces on each floor. Laundry facilities are located in the basement of the building which is not handicapped accessible. Wireless internet access is located throughout the hall and individual rooms are wired for high-speed internet. The building is not air conditioned.

**2. ANALYSIS OF CONSTITUENTS TO BE SERVED**

A new facility would provide a more positive living environment for NSU students. Living in comfortable and modern air-conditioned suite-style housing provides students with a welcoming, home-like atmosphere that enhances their learning experience. The facility would also meet current Americans with Disabilities Act (ADA) standards.

**3. ADDITIONAL SERVICES OFFERED**

Community areas would provide students with a space to interact with one another and participate in residence life programming events. Building relationships with other students and becoming “connected” to campus are key elements of student success. Laundry facilities and a small convenience store would be included to provide students access to snacks and other necessities.

**4. COMPLIANCE WITH THE MASTER PLAN**

The facility does not cause any conflicts with the master plan. Jerde Hall is located on the east side of State Street just across from the Barnett Center parking lot.

**5. ANALYSIS OF NEEDS ASSESSMENT BASED ON THE FACILITIES UTILIZATION REPORT**

Fall 2014 utilization decreased to the lowest level in five years. We believe there are a variety of reasons for this decline that have all been addressed. Jerde Hall is an outdated facility with limited student interest in the housing platform/design upon which it was constructed. The use of this building, the largest residence hall on our campus, often deflates enrollment efforts and is certainly a detriment to and for retention as well.

Current housing options are not attractive to upperclassmen. A modern facility will offer a housing option with the amenities that are popular with today’s students.

**6. LOCATION**

The new facility would replace Jerde hall at a location yet to be determined.

**7. REALLOCATION OF OLD SPACE, IF ANY**

The existing Jerde Hall would be demolished.

**8. PROPOSED FUNDING SOURCE**

The project cost is estimated to be approximately \$35 million and funding would be provided through a source other than revenue bonds (i.e., non-recourse funding to NSU allowing debt payments to be limited to what the building rents will support and, thus, NSU and BOR would not, at any point in time, be liable on the debt service or debt payments).

**9. BUDGET FOR DEVELOPMENT OF A FACILITY PROGRAM PLAN**

The budget for the facility program plan is estimated to be \$100,000. Funds would be provided through the third party entities providing the financial support for the project.

Design concept:



Potential floor plan options:

