

September 13-14, 2017

ITEM 176-2009-R0917

Request for authorization to program and design a residence hall facilities, Montana State University

THAT

Consistent with the provisions of MCA 18-2-102(2)(b), and MCA 20-25-302(6), the Board of Regents of Higher Education authorizes Montana State University to proceed with programing and designing a residence hall facilities at the MSU Bozeman campus. This authorization provides authority for a total of \$750,000.

EXPLANATION

1. Montana State University continues to experience enrollment growth, which in turn has resulted in growth in occupancy in the Residence Life program, as noted in the below matrix:

Fall	Occupancy	Increase	University Headcount	% Students in Res Life
2012	3,402	147	14,660	23.21%
2013	3,536	134	15,294	23.12%
2014	3,691	155	15,428	23.92%
2015	3,735	44	15,688	23.81%
2016	4,200	465	16,440	25.56%

2. Yellowstone Hall opened in the fall of 2016 with over 400 beds, and was over-subscribed upon its opening. Additional student housing is needed to accommodate current demand as well as to allow for future enrollment growth.
3. Commissioner of Higher Education Authority dated August 25, 2016, in the amount of \$350,000, authorized MSU to perform a feasibility study and programming effort for expansion of its residence hall facilities at MSU Bozeman. A consultant selection process has been completed with the State of Montana Architect & Engineering Division and MSU. The study and planning efforts began in mid-February 2017.
4. This authorization allows MSU to continue to plan and design a residence hall facility by evaluating potential site considerations for a new facility, building massing options, types of construction materials, mix and layout of occupant rooms, associated cost considerations, and timelines displaying milestones through design and construction document completion.
5. This Item extends the initial intent of the OCHE Authority to include design efforts. Through the initial feasibility study, the university is targeting a 480-bed housing facility, with a construction timeline to begin in spring of 2018 and occupancy Fall 2020.

6. Throughout the feasibility study, the University has given consideration of the following options to address the growth in the Residence Life Program:
 - Continued encroachment into Family & Graduate Housing room inventory.
 - Limit upperclassmen participation within the Residence Life System.
 - Consideration of a Public Private Partnership (P³) housing development.
 - Await development of private development housing near campus.

7. This project results in 480 additional bed spaces within the housing inventory which would allow the University to normalize the housing operations by the following measures:
 - Reclaim West Julia Martin for Family & Graduate use, amounting to 116 beds or 30 apartments.
 - Recapture, and offer, 75 super singles throughout the Residence Life System.
 - Provide a 3% vacancy at opening (the equivalent of approximately 2 rooms per complex, 126 beds) for roommate conflicts and other situations that may arise.
 - Modest growth in Residence Life of 163 bed spaces.

8. This programming and design work will be funded with auxiliary housing revenues in excess of ongoing operational needs and debt service obligations. No state appropriated funds, or tuition revenues, will be utilized in this project, in accordance with MCA 20-25-405.

9. This item requests authorization for programming and design only – it does not authorize construction, financing, or any operations & maintenance funding for this project. It is MSU's intention to request construction and financing authority (including financing plans for this revenue producing facility) at the November 2017 Board of Regents Meeting.

10. To ensure compliance with Internal Revenue Service bond requirements, the University is seeking approval of the attached *Reimbursement Resolution*. If carried out, the University, through this instrument, would be able to include the programming, planning, and design costs expended under this authorization in a potential future bond issuance related to a final bond-funded project.

ATTACHMENTS

- Attachment #1 - BOR Policy: Physical Plant B Section 1003.7
- Attachment #2 – Reimbursement Resolution