

COMMISSION FOR HIGHER EDUCATION

Friday, May 13, 2011

DECISION ITEM B-3: New Third and Union Apartment Complex at Indiana University Bloomington

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee the following project: *New Third and Union Apartment Complex at Indiana University Bloomington*. Staff recommendations are noted in the staff analysis.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million five hundred thousand dollars (\$1,500,000). A project that has been approved or authorized by the General Assembly is subject to review by the Commission for Higher Education. The Commission for Higher Education shall review a project approved or authorized by the General Assembly for which a state appropriation will be used within ninety (90) days after the project is submitted to the Commission. All other non-state funded projects must be reviewed within ninety (90) days after the project is submitted to the Commission.

The Trustees of Indiana University respectfully request authorization to proceed with the construction of a new 84,000 gross square foot (gsf) apartment building complex located at the north side of Third Street between Union Street and Rose Avenue on the Bloomington campus. The cost of this project is estimated to be \$16,000,000 and will be funded by Residential Programs and Services reserves.

Supporting Document

*New Third and Union Apartment Complex at Indiana University
Bloomington, May 13, 2011.*

NEW THIRD AND UNION APARTMENT COMPLEX AT INDIANA UNIVERSITY BLOOMINGTON

Project Description and Staff Analysis

PROJECT SUMMARY:

This project is for the new construction of a four-level apartment complex consisting of 84,000 gsf located at the north side of Third Street between Union Street and Rose Avenue on the Bloomington campus. This facility will provide 106 units and 122 beds. It will be comprised of 30 studio apartments, 60 one-bedroom apartments, and 16 two-bedroom apartments. This complex will have common spaces for the residents, including a conjoint public entry; program/seminar spaces which could be used as classrooms, meeting rooms, or lounges; public restrooms; a laundry room; and a storage area for apartment tenants. This building will also have support areas, including a staff housing office, custodial office, and trash/recycling areas.

PROJECT DESCRIPTION:

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RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

The completion of this project is consistent with planning developed by the Department of Residential programs and Services and approved by the Indiana University Board of Trustees. Once completed, this facility would foster the recruitment and retention of students while providing students with an appropriate living area and environment serving the academic mission of Indiana University at Bloomington.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

In order to attract and retain the best students in the state and the nation, Indiana University Bloomington must ensure that campus-living environments are of the highest quality. On-campus student housing has remained largely unchanged since the 1960s. The Third and Union apartment Complex would help to remedy this situation. National data indicated that academic success and progress towards graduation is enhanced when students are able to live on campus. This four-level building would be arranged to facilitate student community, to exchange ideas, and to create a sense of place for students living there.

Indiana University (IU) believes that it is important to offer special opportunities to these students who recognize the advantages of living on campus. To accomplish this, IU intends to combine the amenities of off-campus apartment lifestyle which many students prefer with the advantages that living on campus provides. This project showcases this special opportunity on the Bloomington Campus.

ALTERNATIVES CONSIDERED

Indiana University engaged consultants to determine the best design for this critical facility. The university decided this option best met the needs of the program and its relationship to the students, faculty, and campus.

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

This project is part of the university's long-term master plan for the Bloomington campus.

HISTORICAL SIGNIFICANCE

Indiana University does not consider any of the buildings or structures affected by this project to be historically significant.

STAFF ANALYSIS

Indiana University is requesting a favorable review for a new apartment complex on the Bloomington campus. The new apartment complex will take the place of previous on campus housing that was demolished in order to make room for the expansion of the Jacob's School of Music and the closure/rehabilitation of various on campus apartments. The new apartment complex will be located on the southeast corner of campus near the Forest and Willkie residence halls. Plans call for 122 beds covering an area of 84,000 gross square feet, a cost of \$191 per gross square foot.

Currently, Residential Programs and Services (RPS) houses nearly one third of the total IU-Bloomington population on-campus. In September 2010, on campus housing had a capacity rate of 99.9%, which was which has grown from 92.6% in 2004. In many cases, on-campus housing is in such high demand that students are placed in floor lounges until rooms/beds are available. Currently, IU – Bloomington requires freshman to reside on-campus for the first year. While freshman are required to live on campus, approximately 27% return to on campus housing their sophomore year and by their senior year only 9.4% return to on campus housing. However, with increased enrollment and new on campus living options available to students, many students are electing to stay on campus.

With the creation of new apartment complex options on campus, IU will be able to provide a competitive on campus housing option that is comparable to off campus apartment housing options. Currently, IU-Bloomington on campus apartment housing options are slightly above the lowest off campus apartment cost, but well below the highest off campus apartment cost. RPS has conducted a study of nearly 50 off campus apartments comparing rates for different room and space configurations.

The new apartment complex will be funded with RPS operating reserves in the amount of \$16 million. IU and RPS expect operating costs for the new apartment complex to be \$472,500 per year, which will be offset due to the demolition and improvements in other on campus housing. RPS has been funding various rehabilitation and renovation projects to on campus housing with reserve funds versus issuing debt.

RPS's 15 year facility plan for on campus housing at IU – Bloomington includes the requested residence hall which is slated to be completed in August of 2013. Additional projects in the 15 year plan include the replacement of various on campus apartments, conversion of an existing residence hall, and the rehabilitation of numerous existing residence halls. Overall, the requested project is designed to keep up with capacity while providing a new on campus living environment.

Staff recommends the Commission provide a favorable review of the project.