

UConn

UNIVERSITY OF CONNECTICUT

June 6, 2018

TO: Members of the Board of Trustees

FROM: Scott A. Jordan 
Executive Vice President for Administration and Chief Financial Officer

Craig H. Kennedy 
Provost and Executive Vice President for Academic Affairs

RE: UConn Stamford Housing Agreements

RECOMMENDATION:

That the Board of Trustees approve the University Administration entering into agreements with Star Partners LLC and 75 Tresser Waterton LLC to lease (respectively) the entirety of the building located at 87 Franklin Street (aka The Lillian), up to 24 apartment units in the complex known as 75 Tresser Boulevard, and if necessary to satisfy demand, enter into an agreement with Copperline Partners for up to 12 apartment units at 65/77 Prospect Street, all in Stamford CT, for the purpose of providing additional student housing for the UConn Stamford campus. The Administration recommends that the Board of Trustees adopt the Resolution below.

RESOLUTION:

“Be it resolved that the Board of Trustees authorizes the University Administration to enter into leases with Star Partners LLC for 13 apartment units at 87 Franklin Street in Stamford CT and with 75 Tresser Waterton LLC for up to 24 apartment units at 75 Tresser Boulevard and any other necessary or desirable ancillary agreements in order to utilize these properties for the intended use as student residential housing for the UConn Stamford campus on material terms as set forth in this Memorandum. If an insufficient number of apartment units become available at 75 Tresser Boulevard to satisfy the demand for student housing, the Board of Trustees authorizes the University Administration to enter into an agreement with Copperline Partners to lease up to 12 apartments at the 65/77 Prospect Street apartment complex in Stamford CT.”

BACKGROUND:

Students applying to the UConn Stamford campus for the 2018-2019 academic year had the opportunity to express interest in student housing at the 900 Washington Boulevard residence hall. New student housing contracts were due April 6, 2018, and deposits to secure their spaces

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were due May 1. By April 29, the University had received deposits from approximately 200 incoming students and 200 continuing and transfer students, and between April 29 and May 1, the University received an additional 100 deposits from entering students. This brought the total housing demand to just over 500 beds on May 1.

The University master-leased property at 900 Washington Boulevard has a maximum capacity of 320 beds, resulting in a housing shortage of approximately 180 beds based on deposits received. Through normal attrition of students over the summer prior to the start of a semester, the University estimates that the ultimate housing demand will be between 400 and 440 beds, leaving a shortfall of 80 to 120 beds.

Applications to the UConn Stamford campus were extremely robust for the 2018-2019 academic year, with an increase of 429 (+23%) applications over last year. It is believed that this increase is partially due to the very positive reaction to the University-provided housing in Fall 2017 and that denying housing to students who submitted deposits will result in students choosing to enroll at another institution and not attend UConn.

Acknowledging the strategic importance of increased enrollment and UConn Stamford's growing reputation, the University Administration immediately began to investigate possibilities for short-term leases of additional housing, units and/or hotel rooms, in Stamford. Approximately 25 sites and developers/owners were considered, meal plan provisions and business terms assessed, and a short list developed and visited. The recommended facilities are within walking distance of the UConn Stamford campus.

Additional Housing:

The University proposes to enter into leases immediately at two properties to address the added demand for student housing at UConn Stamford.

The first lease is with Star Partners LLC for a property under construction at 87 Franklin Street, known as The Lillian. The property is on schedule to be complete and ready for occupancy in late August 2018. The University would lease the entire building, which includes 13 apartment units, a community room and 15 parking spaces. The units would accommodate 40 student beds and one resident director. The cost of the lease is \$399,000 for the first year, plus utilities and services, and the rent escalates 2% per annum. The term of the lease is three (3) years, with two 2-year options for renewal at the University's discretion. The Landlord is responsible for all real estate taxes, insurance and maintenance expenses.

The second lease is with 75 Tresser Waterton LLC for units at 75 Tresser Boulevard in Stamford CT, an existing 500 unit apartment complex. The apartment complex has 12 units currently vacant, which would accommodate 40 students, and it is anticipated that the lease agreement(s) may increase to 24 units to accommodate up to 80 students (subject to availability and University need). The University would be responsible for utilities and services, and no parking is included in the lease agreement. The initial term of the lease agreement would be for 10 months, with the option to extend for an additional year. The annual cost of the initial lease for the 12 available

units is approximately \$465,000 and the maximum lease agreement(s) cost for 24 units will not exceed \$928,000.

If an insufficient number of apartment units become available at 75 Tresser Boulevard to meet the maximum student housing need, the University will lease additional units with Copperline Partners at the 65/77 Prospect Street apartment complex. This property is approximately 0.3 miles east of the main campus building and currently has adequate capacity to meet any overflow need. The University would be responsible for utilities and services costs and no parking would be included in the lease agreement. The term of the lease(s) would be for 12 months, and the cost of the units is slightly less than 75 Tresser Boulevard, so there is no additional net expense in housing students in this location.

Assuming that 100 students are housed in these additional leased properties, the University would incur lease and utilities expense of \$1.16 million in the first year, and would collect \$1.03 million in housing fees, a net loss of \$0.12 million. When combined with 320 beds at 900 Washington Boulevard, which we estimate will run an operating surplus of \$0.33 million next year, total Stamford housing lease and utility expenses will be \$0.20 million positive. In addition, the incremental increase in first year students at the Stamford Campus will generate \$1.3 million in tuition income net of financial aid. Note that this does not include University expenses for student support and police services, which will be borne centrally through the Student Affairs Division.

Summary:

To support continued enrollment growth of the UConn Stamford campus, the University Administration believes that additional housing on at least a temporary basis should be provided. Furthermore, the leasing of apartments at the two preferred properties, The Lillian and 75 Tresser Boulevard, in close proximity to the main campus building and the existing residence hall, will allow the regional campus to continue to provide additional educational opportunities and continue to build a community-based learning environment. The costs incurred in leasing and operating apartments at these additional properties, and providing furnishings for same, are fully off-set by tuitions and fees from the added students.

-END-

UCONN STAMFORD HOUSING
RECOMMENDED OPTION
FACT SHEET



THE LILLIAN

32,000 Square Feet

13 Units (Under Construction)

Anticipated Completion: August 2018

1 1BR and 12 2BR Units

Target Bed Count: 40 Students

Location: 1 Block from Campus

Includes 15 Parking Spaces

3 Year Master Lease with two 2 Year University
Options

Pros: Contiguous Space

Cons: Risk of Completion, Zoning Approval

Est. Annual Lease Cost: \$399,000



75 TRESSER BLVD

Existing 500 Unit Building

12 Units Currently Available

Would need 18 – 20 Units

5 1BR, 4 2BR and 3 3BR

Target Bed Count: 40 – 60 Students

Location: ½ Block from Residence Hall

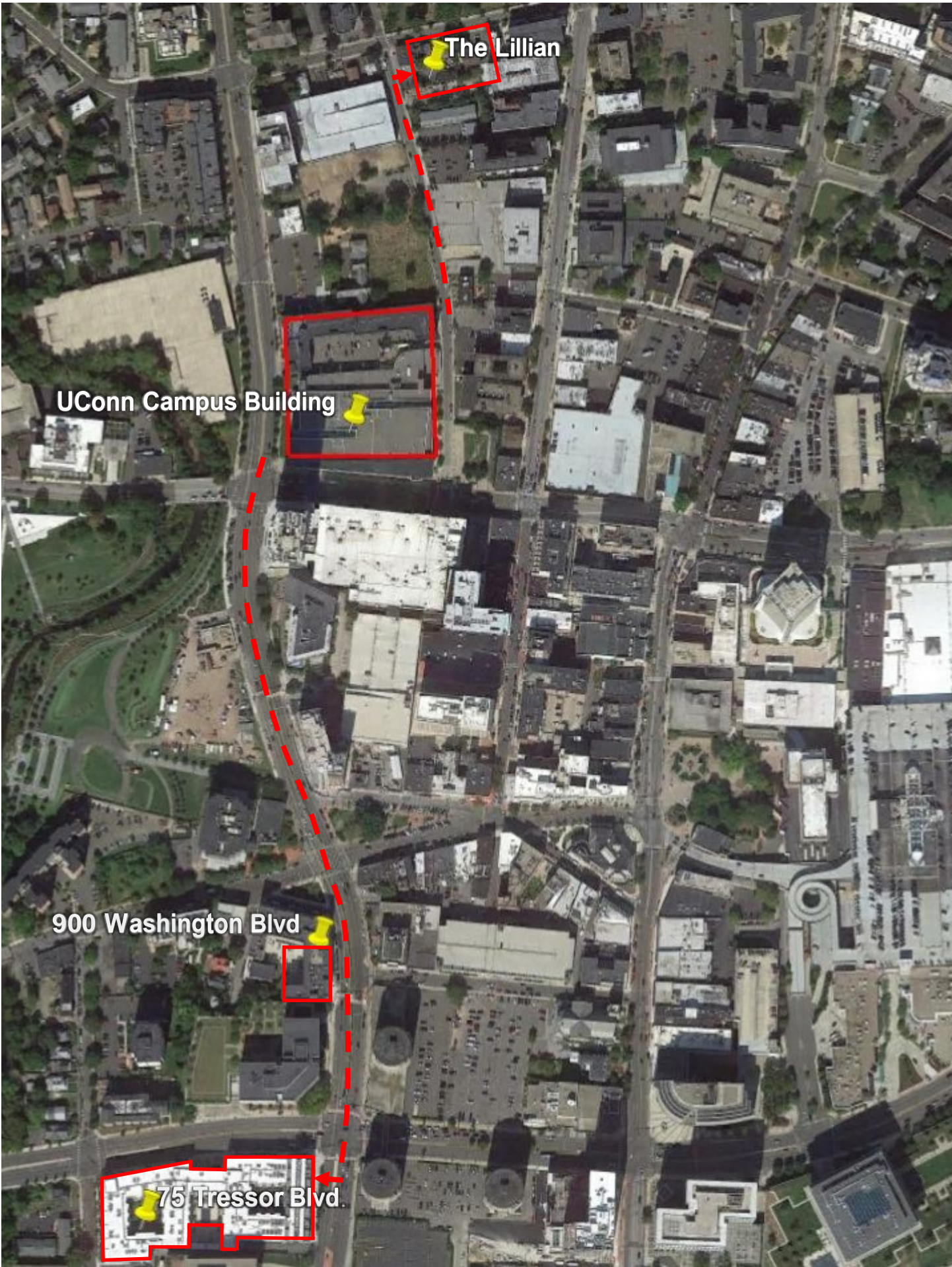
Excludes Parking

10 Month or 12 Month Leases

Pros: Proximity to Residence Hall

Cons: Potential availability and dispersion of
units within building

Est. Annual Lease Cost: \$668,000 (60 beds)



The Lillian

UConn Campus Building

900 Washington Blvd

75 Tressor Blvd.