Greek Housing Project

Phase I – Status Update

BGSU Board of Trustees

May 6, 2011
A Phased Approach

Phase I
Getting Smart

- Confirmation of facility need
- Review of BGSU Greek program and financial support model
- Review of national precedents

Phase II
Making Recommendations

“…the most thorough benchmarking and assessment…related to the planning of future Greek housing.”
- Fred Pierce & Mari Ann Callais

Phase III
Designing & Developing Facilities

Today’s Objectives
Share outcomes from Phase I
Build case to proceed to Phase II
Phase I: Methodology

- **Engage Experts**
  We engaged consultants specializing in facilities, Greek programming and Greek housing development.

- **On-Site Review**
  We visited four campuses to experience various types of housing and to speak with the Greek Life and Housing staffs to understand their projects.

- **Develop Benchmarks**
  We developed a list of peer institutions* and collected significant programmatic and financial data to compare with BGSU results.

*What We Learned: Developing Greek housing that supports a strong student-centered program, is aligned with BGSU's strategic plan and is financially sustainable is a complicated effort.*

*A listing of 27 peer institutions was created, reflecting similarity in size, location, academic offering, athletic conference and student population. Publicly available data was collected and summarized, and a Greek Life survey was developed and distributed. Of those institutions, eight responded to the survey.*
What We Learned

• **Growing Greek Membership**
  National trends indicate growth in all types of Greek organizations; however, those trends are not mirrored at BGSU.

• **Proliferation of New Greek Housing**
  An array of new Greek housing solutions is being implemented nationwide in response to aging housing stock, competition from modern student housing and changing needs of students and organizations.

• **Build upon Strengths**
  BGSU has strong fraternity and sorority participation rates (top 20% of peer institutions), with opportunities to increase membership in existing chapters.

• **Replacement Greek Housing**
  New Greek housing is a key asset in the strengthening of Greek Life at BGSU providing benefit over renovation of existing facilities.
Confirmation of Facility Need

Approach

- Full Building Condition Assessment:
  - Architectural condition
  - Life Safety/Code/Accessibility
  - Architectural functionality
  - Mechanical
  - Electrical

- Methodology:
  - Criteria
  - Scope
  - Review of data/documentation
  - Meet with stakeholders
  - Facility walkthroughs
  - Documentation of findings
  - Identify deferred maintenance items
Confirmation of Facility Need

Summary Findings

- Component/system does not exist or should be replaced
- Component/system should be evaluated for replacement or upgrade – approaching end of useful life
- Component/system is acceptable
## Confirmation of Facility Need
### Potential Upgrade Costs

<table>
<thead>
<tr>
<th></th>
<th>Current Study</th>
<th>2009 Res Life Master Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost – Total Upgrade</td>
<td>$19.9 Million</td>
<td>$31.6 Million</td>
</tr>
<tr>
<td>Cost / Bed</td>
<td>$38,244</td>
<td>$60,675</td>
</tr>
<tr>
<td>Percent of Replacement*</td>
<td>76%</td>
<td>121%</td>
</tr>
</tbody>
</table>

*Note: Based on benchmark of $50,000/bed

### Limitations:
- Older facilities
- Will still have architectural & functional limitations
- Will have limited amenities
- Overall not competitive based on BGSU housing direction

### Relocating Structures:
Cost estimates to move existing facilities range from $1.0 million to $1.5 million per house.
What We Learned:
The five key drivers for Greek housing are interrelated; changes and choices in any one area affect the rest of the model.
Greek Membership Trends

- BGSU presently has a Greek membership penetration rate of 10%, in the top 20% of peer institutions. This is consistent with the other “four corner universities,” with the exception of Miami with more than double the rate.

<table>
<thead>
<tr>
<th>Institution Name</th>
<th>Undergrad Enrollment</th>
<th>Fraternity</th>
<th>Sorority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miami University</td>
<td>14,872</td>
<td>23%</td>
<td>22%</td>
</tr>
<tr>
<td>Bowling Green</td>
<td>14,807</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Ohio University</td>
<td>20,428</td>
<td>8%</td>
<td>11%</td>
</tr>
<tr>
<td>Kent State</td>
<td>21,878</td>
<td>6%</td>
<td>5%</td>
</tr>
</tbody>
</table>

BGSU has a strong Greek Life participation rate.

Phase II: What participation level should BGSU target in the future?

Reference Report, p. 3 Exhibit A
Greek Membership Trends

- BGSU Greek membership has declined from 1,715 in Fall 2002 to 1,508 in Fall 2010, a loss of 207 students or 12%.
- Although date ranges for comparisons vary, national trends and the majority of peer institutions are up significantly.

<table>
<thead>
<tr>
<th>Organization</th>
<th>National Trend</th>
<th>Peer Trends</th>
<th>BGSU Trend</th>
<th>BGSU 2002</th>
<th>BGSU 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIC</td>
<td>+17%</td>
<td>+40-80%</td>
<td>-14%</td>
<td>631</td>
<td>541</td>
</tr>
<tr>
<td>NPC</td>
<td>+19%</td>
<td>+85-843%</td>
<td>-15%</td>
<td>1,004</td>
<td>850</td>
</tr>
<tr>
<td>NPHC</td>
<td>N/R</td>
<td>N/R</td>
<td>+13%</td>
<td>48</td>
<td>54</td>
</tr>
<tr>
<td>MGC</td>
<td>N/R</td>
<td>N/R</td>
<td>+97%</td>
<td>32</td>
<td>63</td>
</tr>
<tr>
<td>TOTAL BGSU GREEK COMMUNITY</td>
<td></td>
<td></td>
<td></td>
<td>1,715</td>
<td>1,508</td>
</tr>
</tbody>
</table>

BGSU Greek membership is down when all others are up.

*Phase II: What can BGSU do to reverse this trend?*
Greek Membership Trends

- Of the 27 peer institutions, eight returned surveys providing detailed information on their Greek Life programs.
- BGSU chapter sizes are significantly lower than national averages, 37% less than NIC and 27% less than NPC.

<table>
<thead>
<tr>
<th>Org. Name</th>
<th>BGSU Members</th>
<th>BGSU Chapters</th>
<th>BGSU Average Mem/Chp</th>
<th>Peers Average Mem/Chp</th>
<th>National Average Mem/Chp</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIC</td>
<td>541</td>
<td>16</td>
<td>34</td>
<td>47 (-13)</td>
<td>54 (-20)</td>
</tr>
<tr>
<td>NPC</td>
<td>850</td>
<td>13</td>
<td>65</td>
<td>93 (-28)</td>
<td>89 (-24)</td>
</tr>
<tr>
<td>NPHC</td>
<td>54</td>
<td>8</td>
<td>7</td>
<td>8 (-1)</td>
<td>N/R</td>
</tr>
<tr>
<td>MGC</td>
<td>63</td>
<td>6</td>
<td>11</td>
<td>7 (+4)</td>
<td>N/R</td>
</tr>
</tbody>
</table>

BGSU chapters have too few members, impacting overall strength.

Phase II: What is the right size of our membership moving forward?
## Programs & Services

<table>
<thead>
<tr>
<th>Greek Life Programs</th>
<th>BGSU</th>
<th>Peers Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Member Training</td>
<td>☑️ New Member Greek Council</td>
<td>7/8 • 88%</td>
</tr>
<tr>
<td>Adv. Leadership Dev.</td>
<td>☑️ Emerging Leaders (So/Jr)</td>
<td>8/8 • 100%</td>
</tr>
<tr>
<td>Advisors Training</td>
<td>☑️ Summer, ¾ of a Day</td>
<td>4/8 • 50%</td>
</tr>
<tr>
<td>Alternative Spring Break</td>
<td>☑️ Coming Spring 2012</td>
<td>2/8 • 25%</td>
</tr>
<tr>
<td>Philanthropy</td>
<td>☑️ IFC/PC Philanthropic Week</td>
<td>3/8 • 38%</td>
</tr>
<tr>
<td>Publicity Campaigns</td>
<td>☑️ Go Greek Team</td>
<td>6/8 • 75%</td>
</tr>
<tr>
<td>Homecoming</td>
<td>☑️ Multiple, e.g. NPHC Step Show</td>
<td>3/8 • 38%</td>
</tr>
<tr>
<td>Greek Week</td>
<td>☑️ Greek Weekend</td>
<td>7/8 • 88%</td>
</tr>
<tr>
<td>Other</td>
<td>☑️ More than X Additional</td>
<td>7/8 • 88%</td>
</tr>
</tbody>
</table>

BGSU has “best-in-class” programming activities.

*Phase II: How can we ensure programs are generating return on investment?*
Staffing of Greek Life

- Of those who responded to surveys, BGSU has the highest level of central Greek Life staffing, with a full-time equivalent (FTE) level of 6.
- This staffing level contributes to the highest overall budget among the same population, forecast at $553,500 for 2012FY.

BGSU staffing and budget are significantly higher than others.

Phase II: What is the optimal and affordable staffing model moving forward?

Reference
Report, p. 6
Exhibit B
Greek Life Program Financing

- Of those who responded to surveys, BGSU had the highest operating budget, both in absolute dollars and on a per member basis.
- Additionally, BGSU presently funds Greek Life out of the Residence Life auxiliary, in contrast to survey respondents who fund this area through education or general fees.

<table>
<thead>
<tr>
<th>Operating Budgets</th>
</tr>
</thead>
<tbody>
<tr>
<td>BGSU</td>
</tr>
<tr>
<td>Ball State</td>
</tr>
<tr>
<td>U. of N. Texas</td>
</tr>
<tr>
<td>Grand Valley</td>
</tr>
<tr>
<td>U. of Cincinnati</td>
</tr>
<tr>
<td>IUPUI</td>
</tr>
<tr>
<td>S. Illinois</td>
</tr>
<tr>
<td>U. of N. Florida</td>
</tr>
</tbody>
</table>

Reference
Report, p. 7
Exhibit B

Student room rents presently fund an aggressive Greek Life budget.

Phase II: What source and level of funding for Greek Life is sustainable?
Summary of Inputs

In order to develop a viable Greek housing program, universities need:

• High penetration and growing membership.
  *We have high penetration and declining membership.*

• Healthy chapters with sufficient members and resources to support housing.
  *We have a high number of small chapters, which will make it challenging to create a financially sustainable housing system.*

• Lean staffing and programming costs to fit within a financial proforma.
  *We have large staffing and budgets, presently subsidized by Residence Life.*

• Cost-effective programs to grow and sustain a quality Greek system.
  *We have a “best-in-class” range of program and need to assess effectiveness.*
Facilities – Ownership

Options and Development Financing

A variety of ownership models exist, and tend to most directly influence ability to dictate housing policies. Owners include:

• **University.** Typically involves the application of University rules and policies regarding housing and alcohol.

• **Affiliate Foundation.** May or may not involve imposition of some or all University rules or policies.

• **House Corporation or National Greek Organization.** Fraternities generally do not require dry chapter houses. Sororities generally require food service.

• **Developer.** Generally part of a collaboration with lower level of policy dictate, however, can be flexible.

**Reference**

Report, p. 8

**Current policies, along with facility condition, impact occupancy.**

**Phase II: How do policy choices impact the likelihood that students will live-in?**
Facilities – Type
Options and Development Financing
Reference: Report, p. 10

Traditional
Free-standing, dormitory-style chapter house with common space and more than 10 beds.

Smaller Chapter Houses
Traditional common spaces with small number of beds, often adjacent to apartment-style housing.

Townhome Style
Attached facilities. Some dedicated chapter space, often with apartment style bedrooms.

Dormitory Style
Mid-rise dormitory-style housing where each organization gets a floor or wing and chapter room.
Facilities – Type
Options and Development Financing
Reference: Report, p. 10

<table>
<thead>
<tr>
<th></th>
<th>Cost per Sq. Foot</th>
<th>Cost per Bed</th>
<th>Rev. Prod. Sq. Ft. (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traditional</strong></td>
<td>Higher</td>
<td>Higher</td>
<td>Lower</td>
</tr>
<tr>
<td>Free-standing, dormitory-style chapter house with common space and more than 10 beds.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Townhome-Style</strong></td>
<td>Higher</td>
<td>Higher</td>
<td>Lower</td>
</tr>
<tr>
<td>Attached facilities. Some dedicated chapter space, often with apartment style bedrooms.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Smaller Chapter Houses</strong></td>
<td>Lower</td>
<td>Lower</td>
<td>Higher</td>
</tr>
<tr>
<td>Traditional common spaces with small number of beds, often adjacent to apartment-style housing.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dormitory Style</strong></td>
<td>Lower</td>
<td>Lower</td>
<td>Higher</td>
</tr>
<tr>
<td>Mid-rise dormitory-style housing where each organization gets a floor or wing &amp; chapter room.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Development project exist now of each type; most have a mix.

*Phase II: Is there a blend of options and trade-offs BGSU can afford?*
Facilities – Financing
Options and Development Financing

• Major decisions related to the project (ownership, facility type, location) must be determined prior to discussion of financing.

• It is premature to begin to evaluate financing until those critical matters are resolved, as those choices will dictate which options are available.

• For most Greek housing projects, a mixture of sources of capital are combined to create a feasible financing structure.

A wide array of financing is available, but discussion is premature.

Phase II: Have we answered needed questions to productively discuss financing?
Facility offerings impact recruitment of new student members.

The existence of quality programs and services (including housing) can influence membership.

Rental revenue impacts facility type, size and amenity choices.

Membership impacts revenue generated by student rents.

Staffing impacts the type and quality of programs and services offered.

Funding and staffing are interrelated.
Phase II: Looking Forward

Following a decision to pursue development of replacement Greek housing, it is recommended that the next phase include the following steps:

1. **Internal & Operational Determinations**
   *Need to answer the questions outlined, setting assumptions for development.*

2. **Stakeholder Input & Communications**
   *Connect with stakeholders, including the Board of Trustees, University administration, faculty, undergraduate chapters and members, alumni, national Greek organizations, and possibility community leaders.*

3. **Product Development & Project Location**
   *Based on decisions and outcomes in 1 and 2 above, project locations and potential building programs should be studied and evaluated.*

4. **Financing & Delivery**
   *Optimal delivery method and financing structure will be customized to the project and will be significantly influenced by decisions in previous steps.*
Next Steps

• **Answer Questions**  
  *Timing: Today*  
  – What information or insight can we offer on Phase I?

• **Finish Our Work**  
  *Timing: End of May*  
  – Collect and compile any outstanding data to ensure a complete comparative pictures as we move forward.  
  – Work with consultant team to refine draft report.  
  – Develop robust plan (cost, timing, scope) for Phase II.

• **Make A Decision**  
  *Timing: June Board Meeting*  
  – Authorize BGSU to move forward to Phase II to answer questions.
Greek Housing Project

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BGSU Board of Trustees
May 6, 2011