

# Once Upon a Master Plan:

Design, Implementation, Adaptation  
and Lessons Learned after Ten Years  
...and counting

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*Thank you for your cooperation.*  
*ACUHO-I Program Committee*



# Overview

- What is a comprehensive master plan?
- Planning process
- Development of the MU master plan
- Implementing the MU master plan
- Managing the MU master plan  
and attendee input
- Lessons learned

# Comprehensive Housing Master Plan

- Planning Principles
  - View from 10,000 feet
  - Framework for guiding annual planning
  - Requires ongoing monitoring and adjustment
  - Assumptions derived from long-term experience and expectations
  - Doesn't sweat the small stuff
- Balancing Competing Objectives
  - Institutional objectives
  - Student preferences
  - Peer institution pressure
  - Programmatic goals
  - Continuity of operations
  - Financial realities

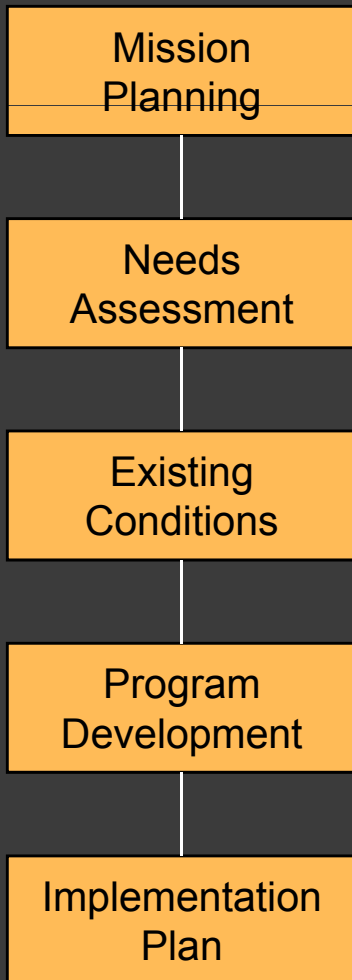


# Comprehensive Housing Master Plan

- Key Players
  - Student Affairs
    - Students
    - Housing and Food Service
  - Provost
    - Academic Support
    - Academic Linkages and Faculty
  - Facilities
    - Physical Plant
    - Parking
  - Business and Finance
    - Auxiliary Services
    - Budgeting and Finance
  - Neighboring Community
  - Board of Trustees

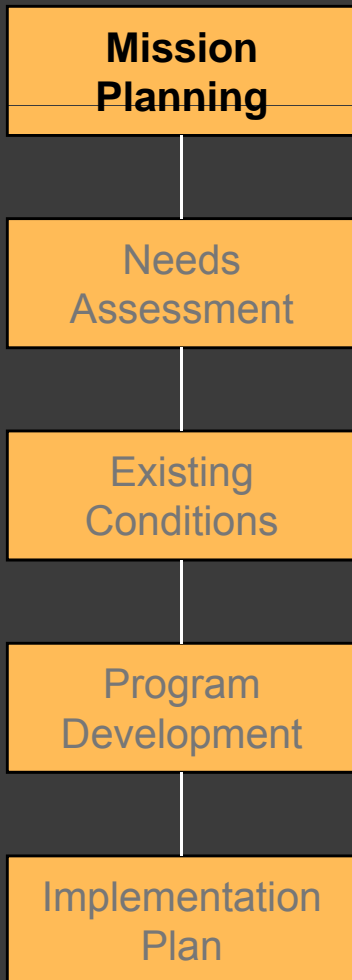


# Planning Process



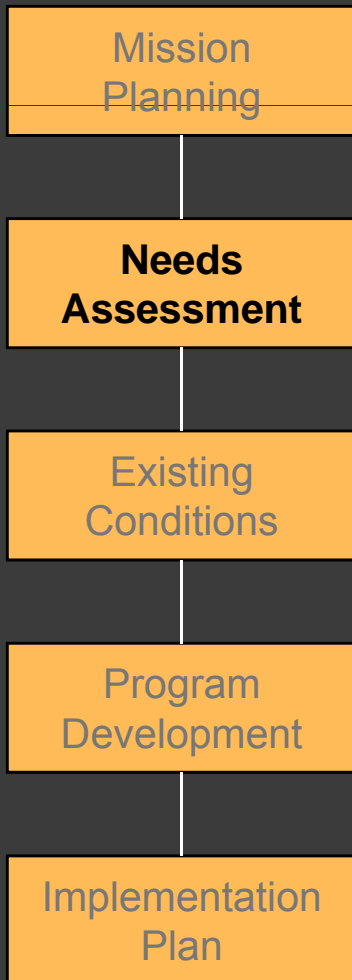
- Plan Objectives
  - Evaluate the needs of students and the existing assets to develop the optimum plan for the long-term improvement of housing
  - Qualify and quantify housing for students, faculty, and retirees/alums
- Plan Elements
  - Mission Planning
  - Needs Assessment
  - Existing Condition Evaluation
  - Program Development
  - Implementation Plan

# Planning Process



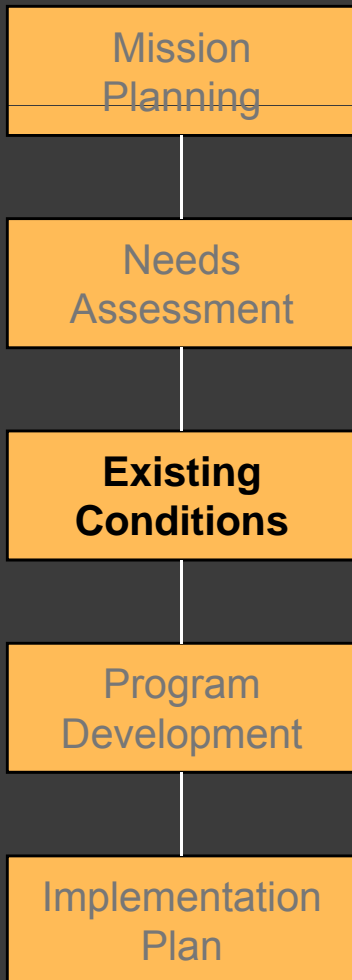
- University Mission Drives Housing Program
  - Enhancement of student life
  - Recruitment and retention of students and faculty
  - Residential education
  - University development
  - Others?
- Housing Options and Opportunities
  - Single undergraduate students
  - Graduate students
  - Students with families
  - Faculty housing
  - Retirement/alumni housing

# Planning Process

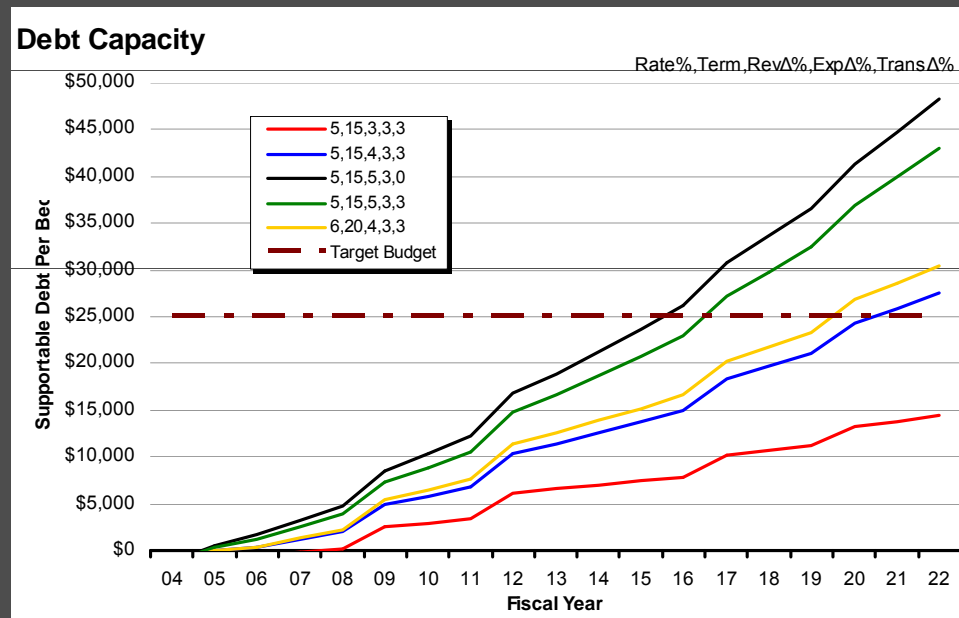


- Assess Needs of Housing Cohorts
  - Stakeholder goals and objectives
  - Residents' qualitative expectations
  - Off-campus market analysis
  - Peer institution analysis
  - Programmatic requirements
  - Preference and demand projections
- Methods
  - Stakeholder interviews
  - Student focus groups
  - Publication and on-site research
  - Surveys (e.g., web, intercept, telephone)

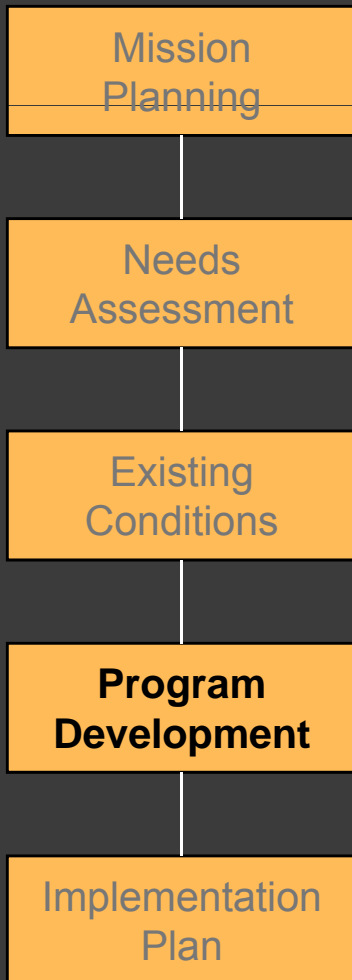
# Planning Process



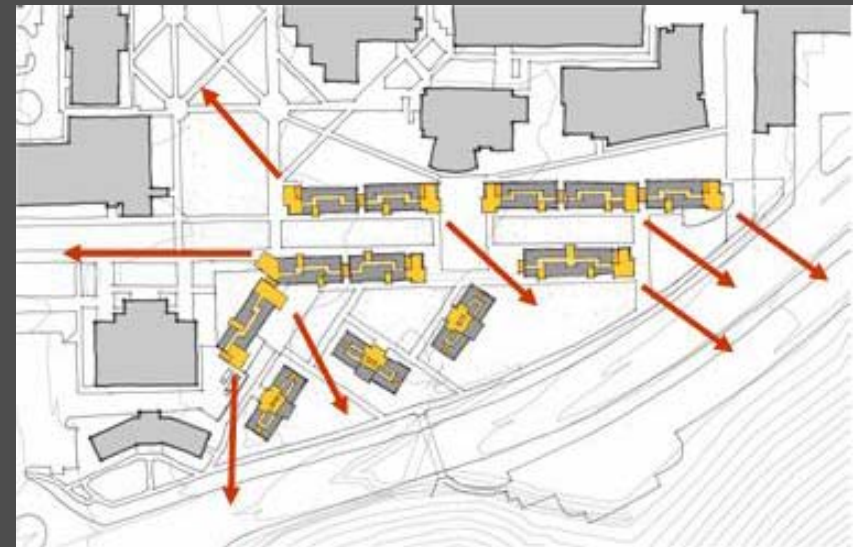
- Assess Existing Assets and Liabilities
  - Condition of existing facilities
  - Current operations and financial drivers
  - Potential housing sites
- Preliminary Analysis of Debt Capacity



# Planning Process

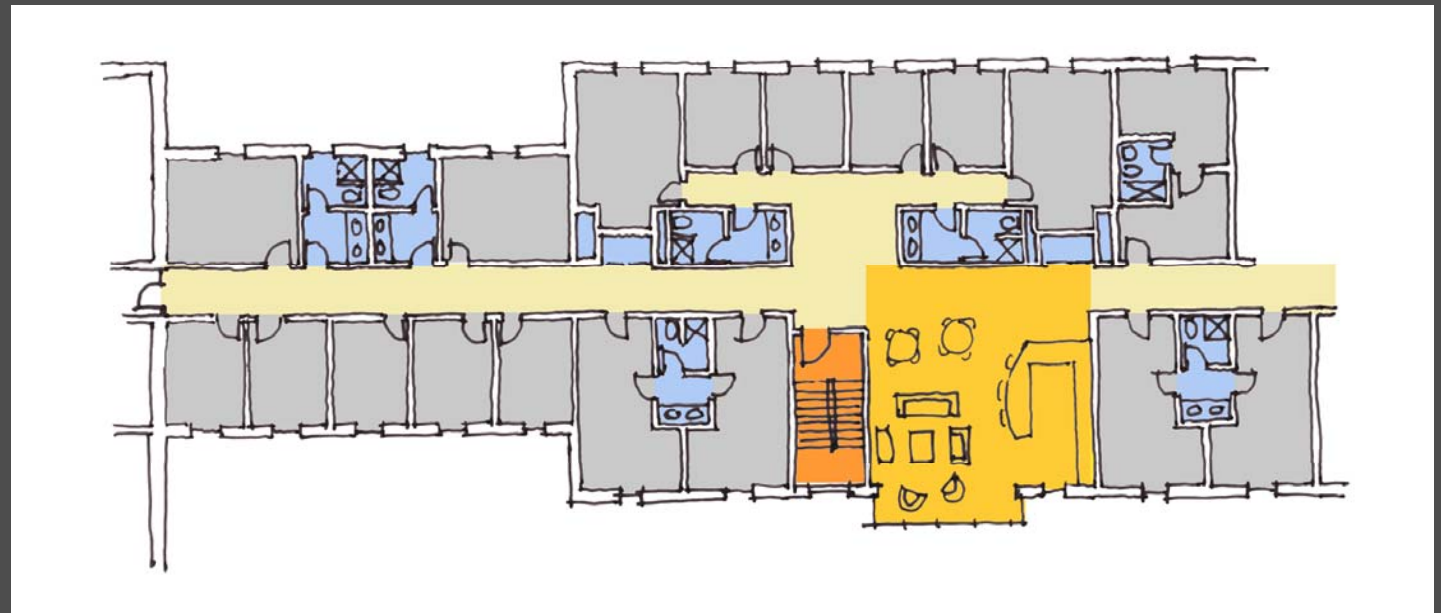
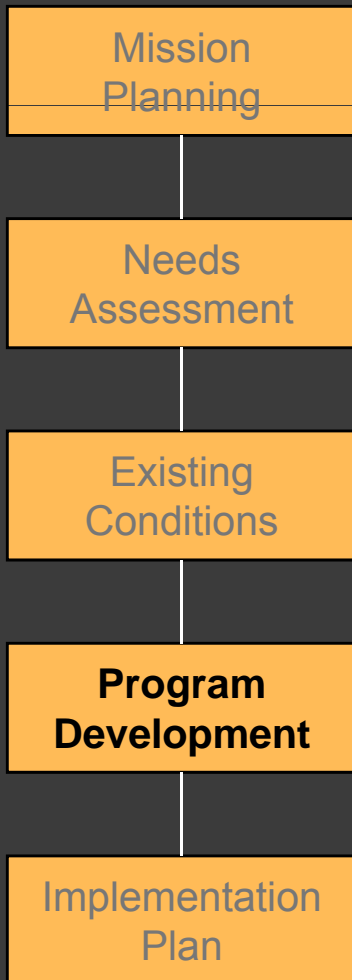


- Housing Program
  - Develop *Ideal* program considering Mission and Needs Assessment
  - Overlay *Ideal* Program on existing program
  - Assess potential role of existing housing
    - Renovate, reconfigure, demolish, replace
  - Determine need for new construction
- Site Analysis
  - Capacity
  - Location
  - Infrastructure
  - Budgets

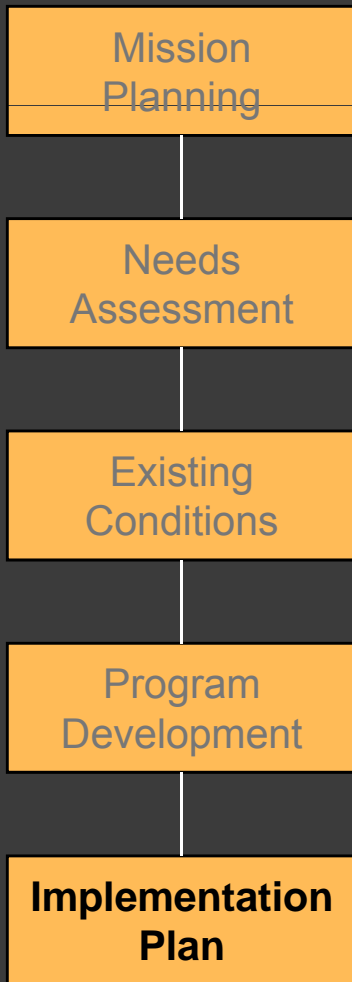


# Planning Process

- Housing Program Trade-Offs
  - Renovate or replace
  - Reconfigure or build new
  - Rent versus demand
  - Program versus quality



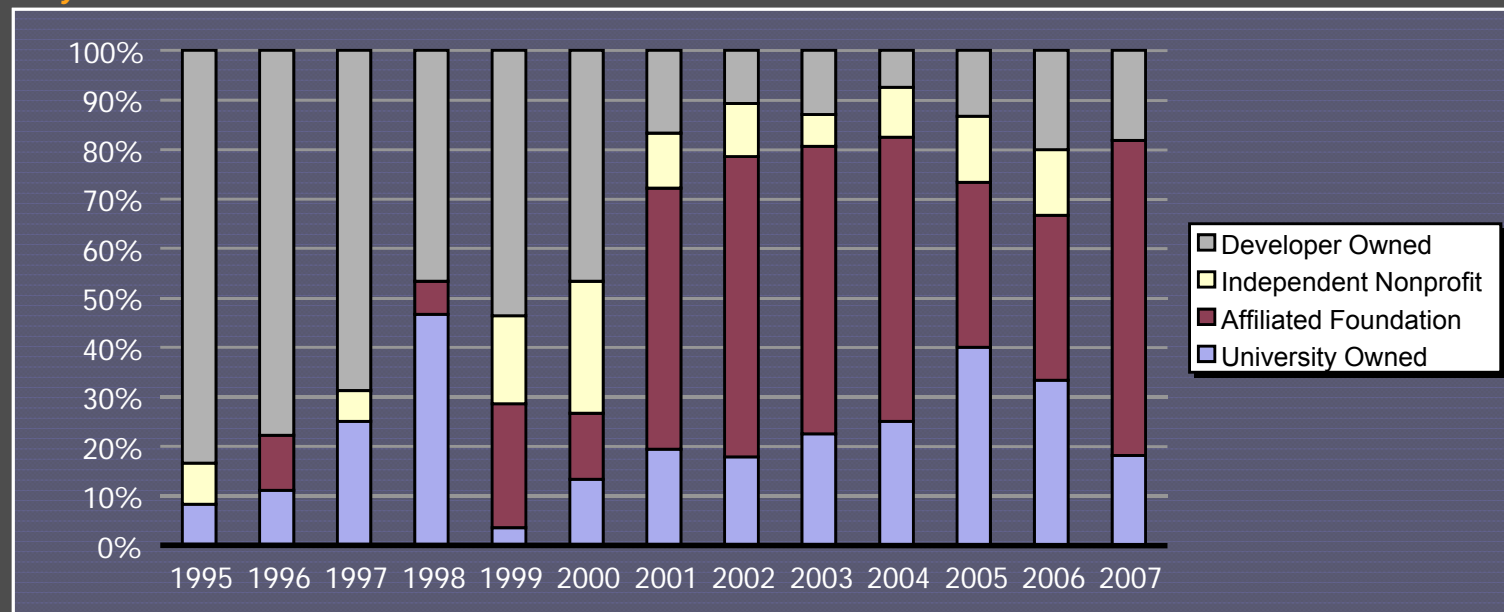
# Planning Process



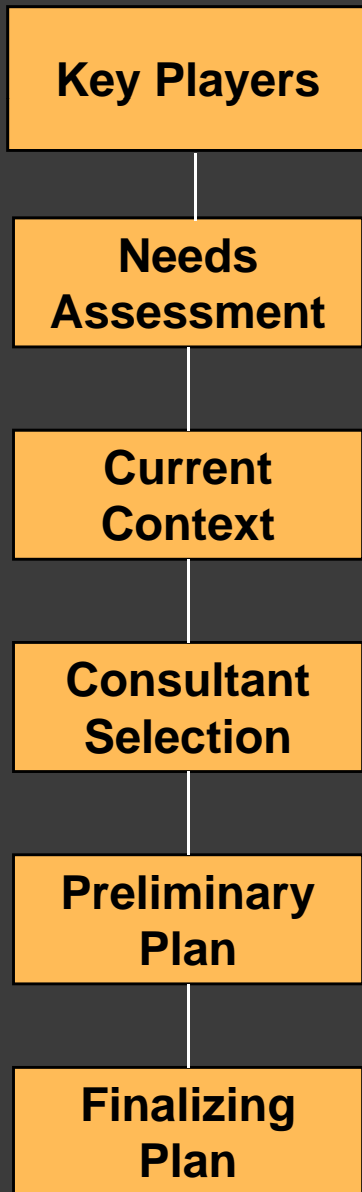
- Delivery Strategies
  - Public/Private partnership opportunities
  - Partner for a Purpose
    - Time
    - Expertise
    - Risk
    - Cost
    - Credit/Debt
    - Mandate

**Percent Projects**  
*By Year and Structure*

Years: 1995 - 2007







## Development of the MU Plan

- Assembling key players
- Identifying needs/critical issues
- Assessing the current context
- Identifying/selecting consultants
- Managing the review process and editing preliminary results
- Finalizing the report

## Key Players

Needs  
Assessment

Current  
Context

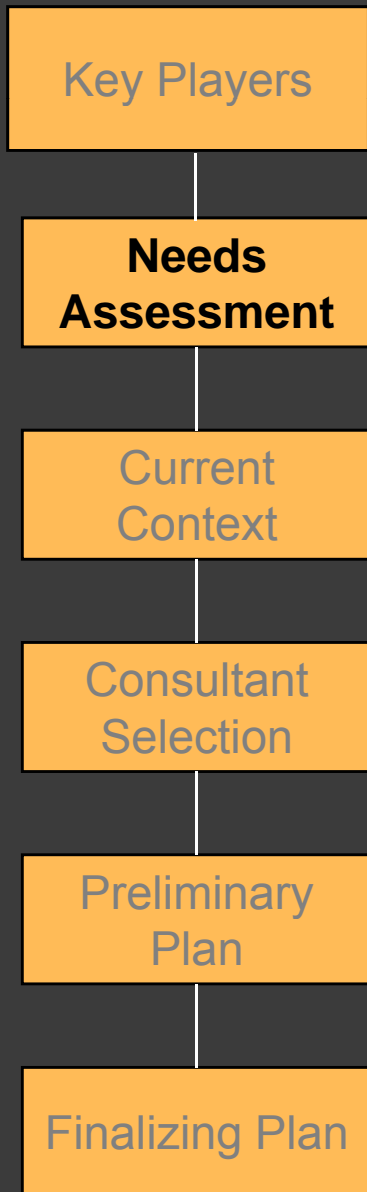
Consultant  
Selection

Preliminary  
Plan

Finalizing Plan

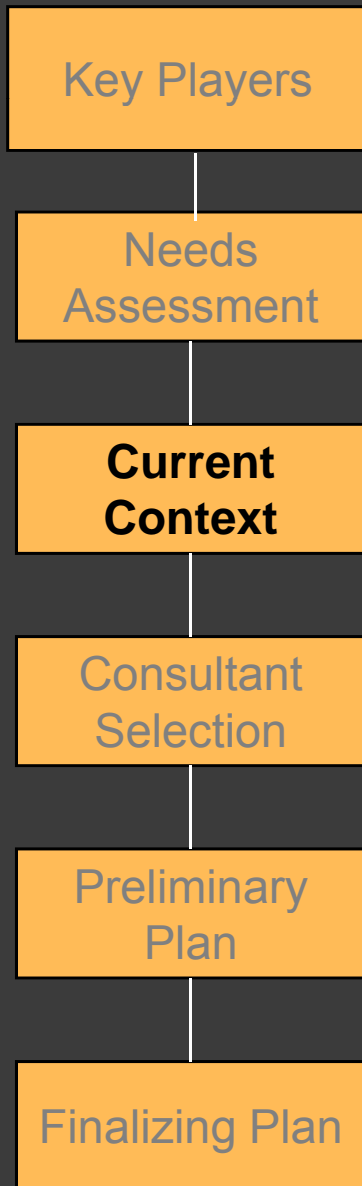
## Key Players

- Vice Chancellor for Student Affairs
- Vice Chancellor for Administration
- Campus Facilities
  - Project Management
  - Construction Management
  - Campus Infrastructure/Energy Management
- University Fiscal Officer
- UM System – Architects, Engineers, Fiscal
- Student Leaders
- Residential Life Staff
  - Program, Living/Learning Staff
  - Custodial/Maintenance Operations
- Student Affairs Auxiliaries, Fiscal Officer
- Director, Associate Directors, Asst. Director/Project Manager



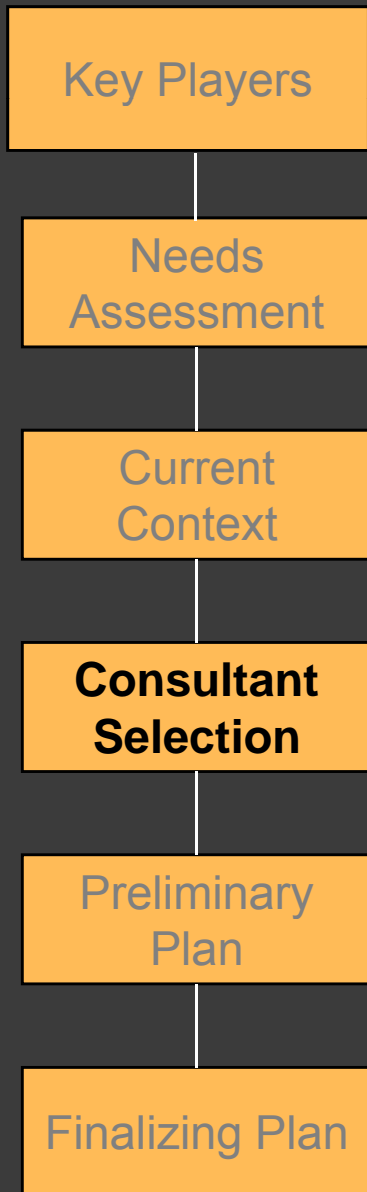
## Needs Assessment

- Comprehensive Facilities Audit
  - Anticipated mechanical system failures
  - All facilities required attention
  - Some facilities not worth saving
- Support Living/Learning Mission
- Need to Diversify Housing Options
- Housing important recruitment tool, but not ranked well
- Losing students to off-campus options
- Families willing to pay more for better quality
- Differing expectations from students, parents



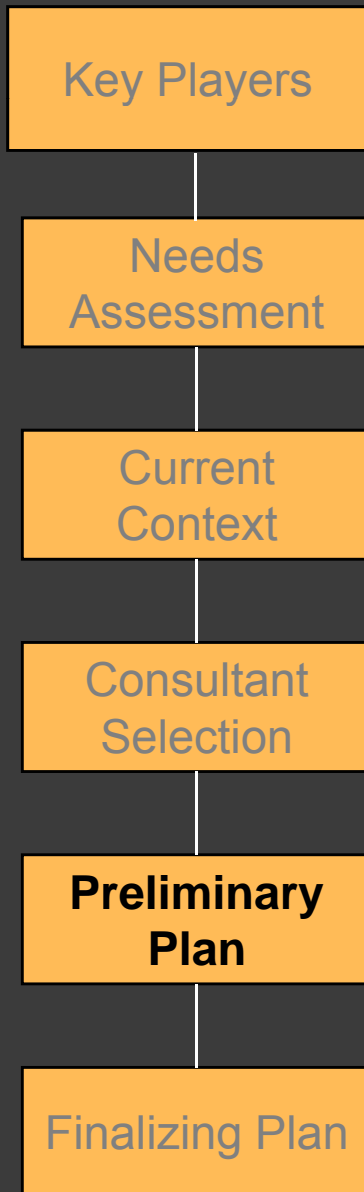
## Current Context

- Halls ranged from 35 – 60 years old
- Only one suite-style hall among 19 total
- Local Housing market ready to grow
- Infrastructure systems starting to fail
- Most halls designed without air-conditioning
- Parietal Rule – 85% of entering freshman
- Living/Learning programs key institutional identifier, recruitment tool



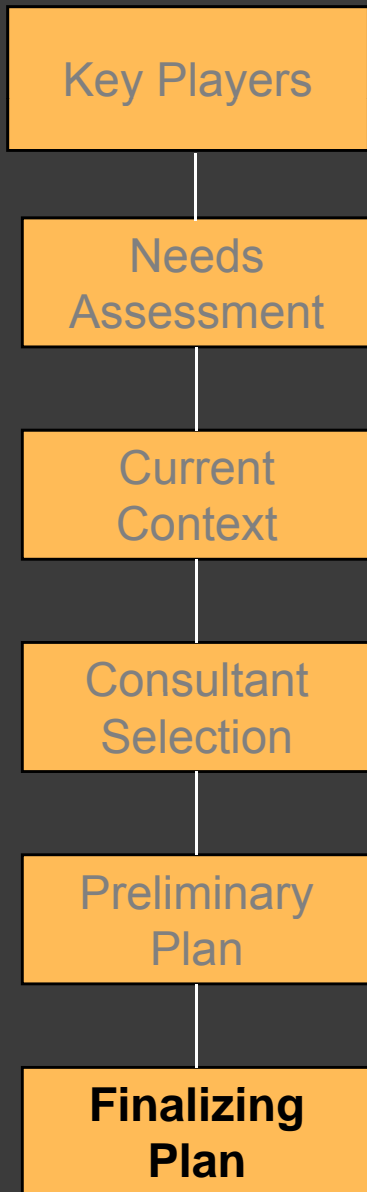
## Consultant Selection

- Identify Department/Campus expertise
- Determine Institutional guidelines/policies
- Networking/Conference/References
- Site Visits
- RFQ/RFP
- Screening on qualifications
- Consultant Interviews
  - Scoring Rubric
  - Presentation
  - Charrette
  - Fee Proposals
- Formalizing Consultant Selection



## Preliminary Planning Assumptions

- Freshman/Sophomore target audience; integrated
- Living/Learning support
- Multi-Phase plan over 15 years
- All Facilities required renovation
- Some facilities demolished
- New construction suite-style, renovation maintains existing double-loaded corridor, community bath
- Pro forma assumptions

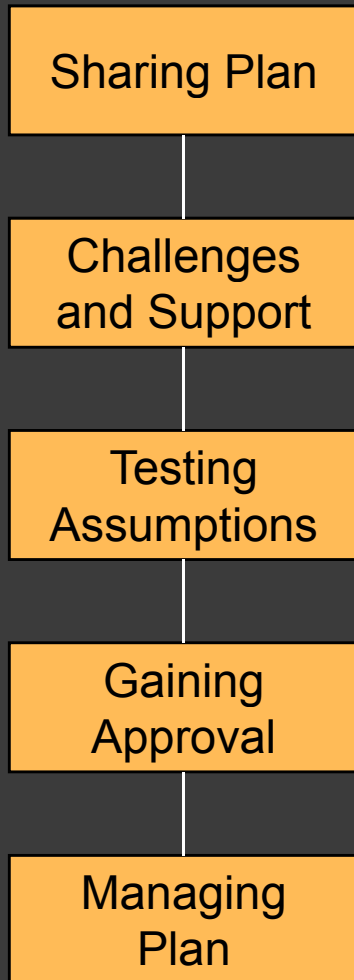


## Finalizing Plan

- Institutional Approval Process
- Executive Summary
- Key Spokespersons
- Anticipating Questions/Responses
- Ongoing Monitoring and Review
- It's a **PLAN** not a **BLUEPRINT!**

# Implementing the Master Plan

- Communicating the plan to key constituents
- Identifying challenges/issues and support
- Measuring and testing initial planning assumptions and principles
- Gaining and sustaining approval
- Managing preliminary plan



# Communicating the plan/need for plan

## Identifying key constituent groups

- Institutional leaders
- Students
  - Leaders/Government
  - Media/organizations
- Academic leaders/departments
- Department staff (custodial, maintenance, support)
- Student Affairs
- Administrative services
  - Facilities
  - Fiscal Officers
- Enrollment Management units
- Parents
- Alumni
- Community (e.g. chamber of commerce)
- Development officers

Sharing Plan

Challenges  
and Support

Testing  
Assumptions

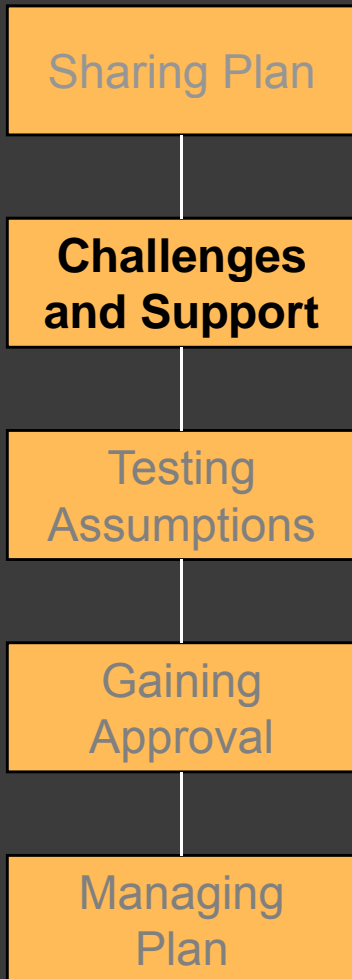
Gaining  
Approval

Managing  
Plan

# Identifying Challenges/Support

## Challenges

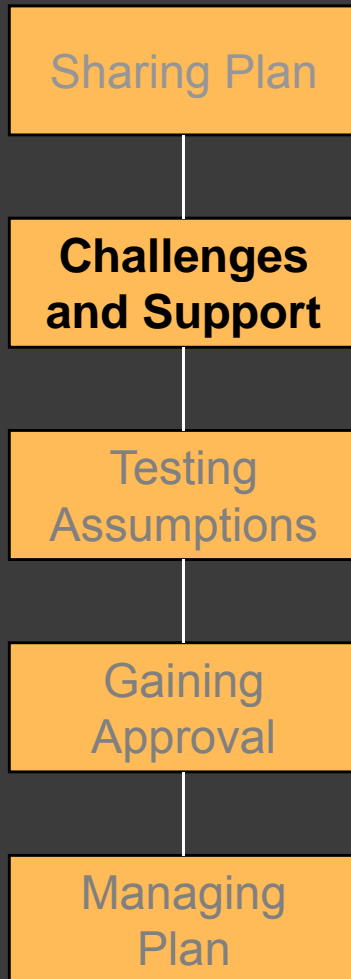
- Lack of institutional will, confidence
- Cost concerns
- Site "ownership" or neighbors
- Other competition for debt service capacity
- Off campus competition
- Legislative/Governing Board
- Alumni/Development



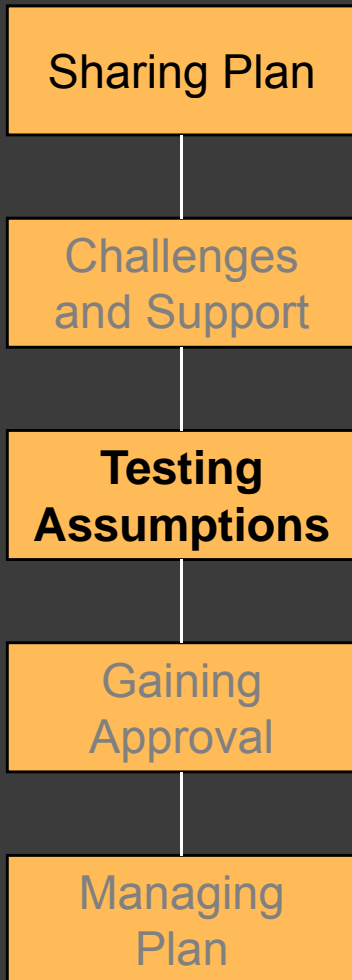
# Identifying Challenges/Support

## Support

- Coordination/linkage with other strategic planning
- Institutional implications for inaction
- Recruitment & Retention
- Issue champions
  - Safety – parents
  - Facility longevity – campus facilities
  - Recruitment – Admissions, Athletics
  - Space co-use – space planning, registrar
  - Aesthetics – campus planning
  - Sustainability

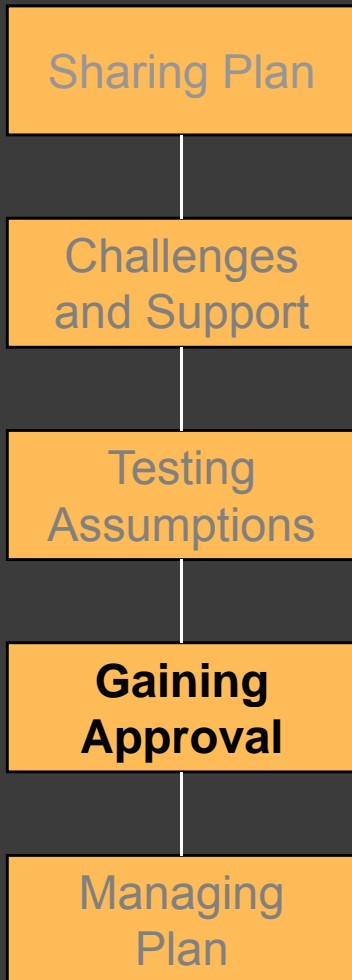


# Testing Assumptions



- Fiscal assumptions
  - Project/Construction costs
  - Occupancy/Enrollment projections
  - Rate increases/sensitivity
- Timeline
  - Facility analysis/viability
  - Facility usage (including summer)
  - Project Design/Construction schedule
  - Approval process
  - Impact of delays
- Program
  - Appropriate staff/institutional participation
  - Consistency with strategic planning, key mission/goals

# Gaining/sustaining approval

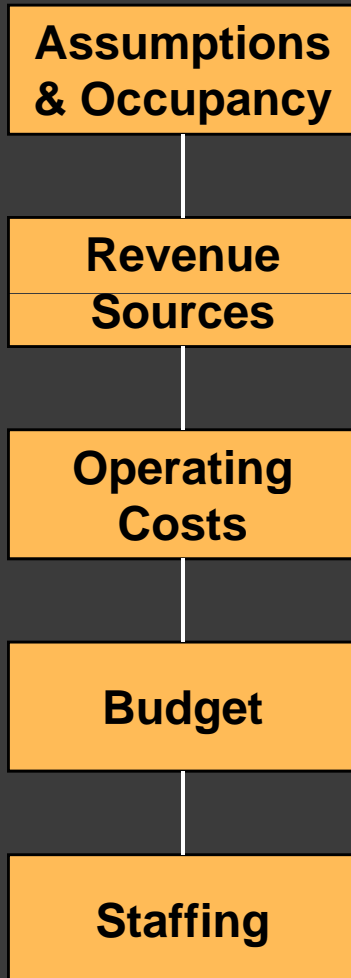


- Building support for NEED for master plan
- Understanding institutional review/ approval process
- Pre-vetting key planning principles/ assumptions
- Identifying reasonable timeline/ benchmarks
- Preparing key spokespersons/ advocates

What Road Blocks Have  
Prevented You (or slowed you  
down) from Implementing  
Your Master Plan?

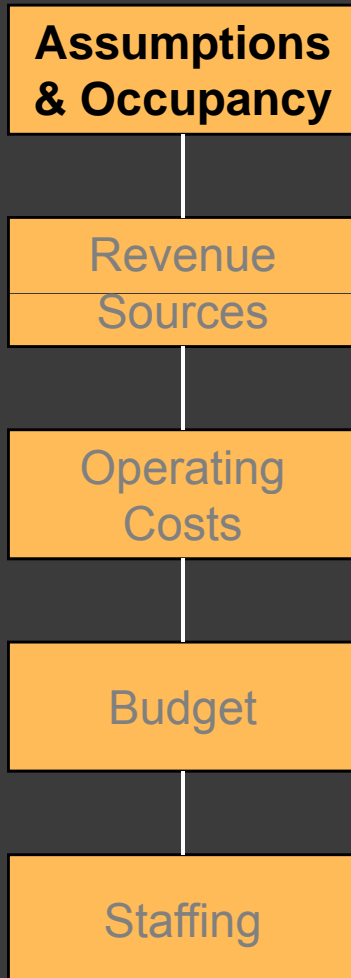
# Managing the Master Plan

- Managing assumptions
- Managing occupancy
- Identifying revenue sources
- Managing operating costs
- Planning for the annual budget vs. master plan *pro forma*
- Staffing implications

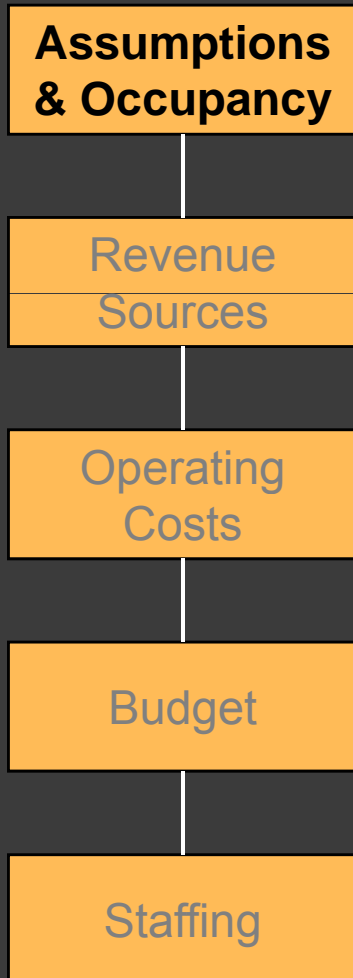


# Managing Assumptions

- Assumptions that span 30 years
- Actual performance WILL vary
- Do not change overarching assumptions based on one year, for example...
  - Construction costs
  - Interest rates



# Managing Assumptions



- Capital expenditures = 25% of surplus
- Debt Service Coverage = 1.5% (not actually realized until late in the plan)
- Earnings on Reserves = 3%
- Financing Rate = 5%
- Financing Period
  - 30 years new construction
  - 25 years renovation
  - 10 years critical measures
- Operating cost per sq./ft. change once a building is renovated

# Managing Assumptions

Assumptions  
& Occupancy

Revenue  
Sources

Operating  
Costs

Budget

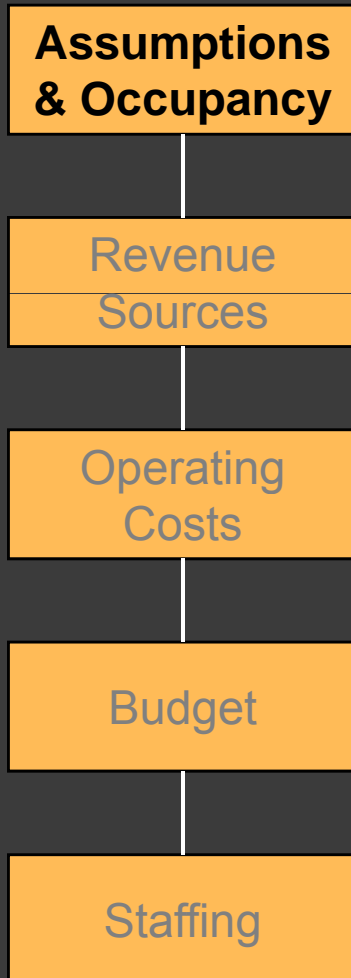
Staffing

- 15% rate increase for renovation
- 20% above highest previous rate for new construction
- Expense inflation rate = 3%
- Rent escalation rate = 4.5%
- Average occupancy rate = 95%
- Revenue from contracts = 90%
- Staff rooms ARE revenue generating (but backed out in-kind room expense line)

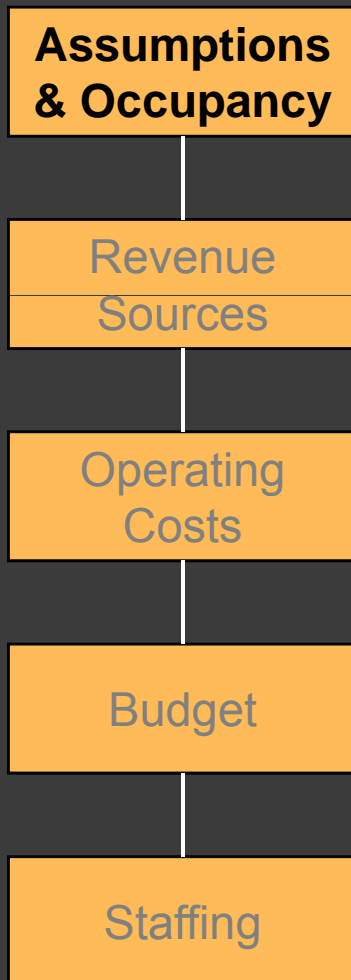
# Managing Assumptions

## What to Watch

- Significant changes in assumptions – for US...
  - 40% - 60% increase in the cost of steel
  - Scope creep
  - Construction quality assumptions
  - Enrollment/occupancy
- Refer to the document often
- Contribution to capital pool
- Carry forward
- Institutional “mark ups”

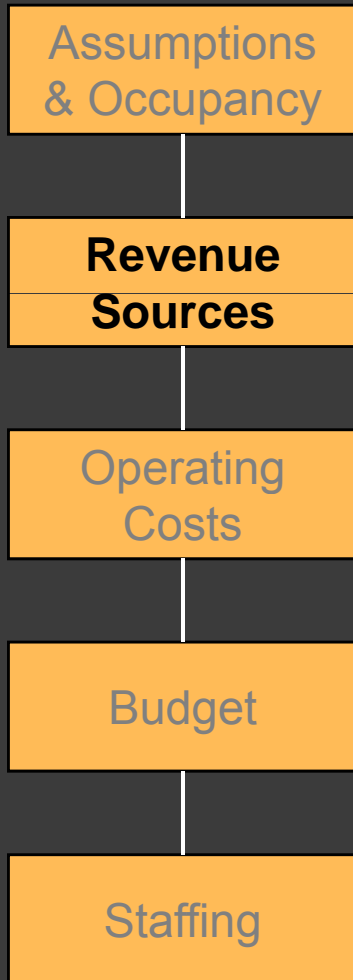


# Managing Occupancy



- Keeping “level” occupancy
  - Building “swing space” (721 spaces)
  - 350-700 beds/year renovated
  - Some demolition (~705)
  - Even or slightly increasing bed count from start to finish of master plan
- Flexibility in assignments (singles or doubles) can change financial picture
- Closing facilities mid-year
- Implications for summer conferences

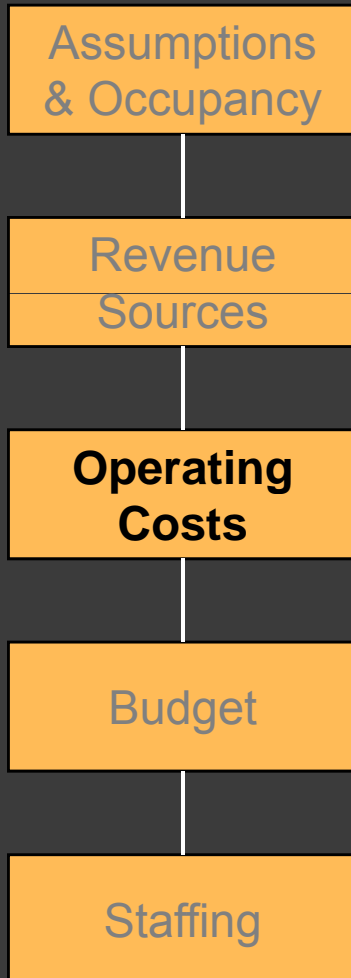
# Identifying Revenue Sources



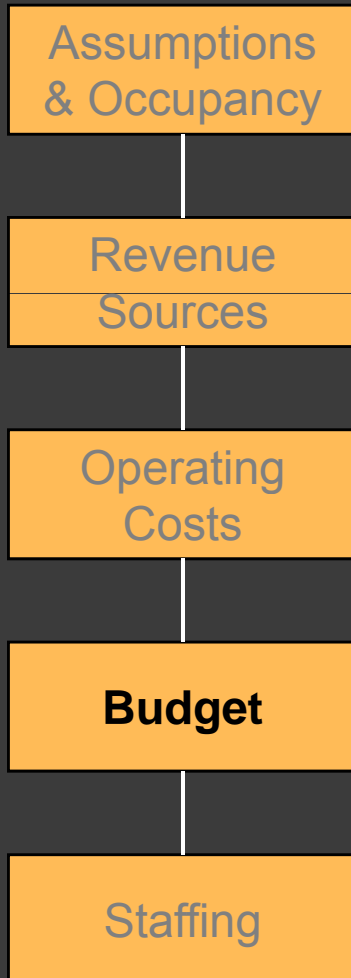
- Contract Revenue (92%)
- Other Revenue
  - Camps & Conferences
  - Cell phone tower rent
  - Vending/Laundry
  - Space rental
    - Office space
    - Child care center space
    - Guest apartments

# Managing Operating Costs

- Operating Cost per Square Foot
  - Pro forma
  - Operating budget
  - Actual performance
- Planned contribution to capital pool (savings account)
- Evaluate utility costs pre- and post-renovation



# Planning for the Annual Budget



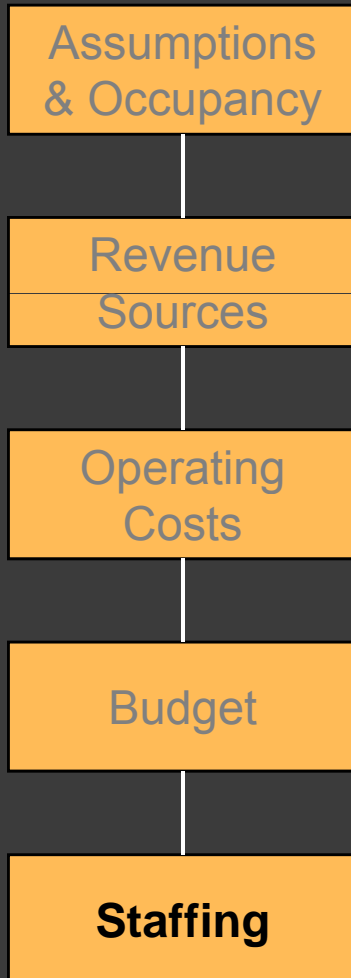
What to glean from the *pro forma*

1. Contribution to capital pool (savings account)
2. Estimated debt service payments
3. Operating cost per square foot
4. Effects on occupancy projections from building openings and closures

Not all aspects of the annual budget will match the *pro forma* exactly

Carry forward has helped us make up for shortfalls in the planned contribution to capital pool

# Staffing Implications



- Building mechanical systems will begin to change
  - Different skill set for maintenance staff
  - May eventually render some skill sets obsolete
  - Preventive maintenance (i.e. changing filters in each student room)
- Suite-style unit types will require different levels of custodial staffing
- Managing the master plan implementation on the housing side (as opposed to physical plant staff)

## Lessons Learned

- Changing and adapting from 2000 to 2005
- Planning assumptions vs. actual experience
- Fluctuating construction/labor costs
- Mediating budgeted costs and actual costs
- Shifting Institutional priorities
- Adhering to planning principles (flexibility)

## More Lessons Learned

- Creating a new baseline for costs versus changing assumptions
- Understanding political climate as it relates to different delivery systems
- Making off-campus comparisons
- Being sensitive to the cost to students (rates)

## Contact Info

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