



The ABCs of Student Housing

Oct 1, 2009 12:00 PM, By Sibley Fleming

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In the absence of a sweetheart lender for private, off-campus projects, some developers are turning to on-campus properties that will be owned by the university and financed through tax-exempt revenue bonds. Valdosta, Ga.-based Ambling University Development Group, for instance, recently closed on four major development transactions, despite challenging financial markets. The projects include:

- ? North Georgia College and State University in Dahlonega, Ga.: At slightly more than \$80 million, this project includes a 1,081-space parking deck, 38,000 sq. ft. dining facility and two residential facilities consisting of a total of 956 beds.
- ? South Georgia College in Douglas, Ga.: This \$14.5 million building will feature a 292-bed student residence hall.
- ? Southern Polytechnic State University in Marietta, Ga.: This \$40 million project includes a 334-seat dining facility, a 600-bed residence hall and 10 special-interest houses totaling 120 beds, all designed to qualify for LEED Silver certification under the U.S. Green Building Council's Leadership in Energy & Environmental Design program.
- ? The University of South Dakota in Vermillion, S.D.: This \$31 million project features a 550-bed student residential village, also designed to achieve LEED Silver certification.

All three deals in Georgia were awarded in the first quarter of this year. The residential construction portion of each of Ambling's projects is slated for completion next fall.

"These projects have all become fast-tracked," says Greg Blais, president of Ambling University Development Group. "The trend is for universities to solicit development teams in the summer or fall and expect housing for the next fall." And that timeline puts a lot of stress on the development teams, he adds.

The first two projects — North Georgia College and South Georgia College — were funded through the conventional tax-exempt bond model, historically employed through the University System of Georgia and its board of regents. The bonds support host institutions and use their backing of the projects to further improve the credit of the bonds, explains Blais.

The Southern Polytechnic and University of South Dakota projects were pooled with other developments to be funded by a state higher-education authority authorized by their respective legislatures.

In Georgia, that body is called the Georgia Higher Education Facilities Authority (GHEFA), which issues bonds for various board of regents projects. GHEFA was signed into law in 2006, and in November 2008 issued its first bonds, totaling more than \$99.8 million.

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