

**Presidential Advisory Commission on Residential Housing**

**The University of Texas at Dallas**

**Preliminary Report**

**June 30, 2005**

# Preliminary Report

## Introduction

On April 28, 2005, self-described alternative news weekly, the *Dallas Observer*, published a story critical of residential housing at The University of Texas at Dallas (UTD). The story made numerous allegations about safety, security, maintenance, and business practices within Waterview Park Apartments, the 1,238 unit campus housing facility. In response, outgoing President Franklyn Jenifer, with the concurrence of incoming President David Daniel, appointed an independent commission to review the charges and make whatever recommendations deemed necessary to ensure that UTD provides safe, high-quality housing at a reasonable price to the growing number of students who live on campus. Professor J. Michael Coleman, Associate Provost and Dean of Undergraduate Education agreed to serve as the chairman of the commission.

President Jenifer announced the membership of the Advisory Commission on Residential Housing on May 9, 2005, and charged it with conducting a comprehensive evaluation of residential housing on campus, including but not limited to the physical state of the apartments, security, maintenance, contractual/financial relationships and customer/management relations. To facilitate such review, he selected a number of commission members from outside the university community based on their particular expertise in commercial real estate, property management, and law enforcement. The remaining members of the commission were selected from staff, faculty, and student leaders at UTD. Incoming President Daniel asked that this group provide him with a preliminary report on their efforts by June 30 of this year and a final set of recommendations by September 1.

The commission held its first organizational meeting on May 23. Presidents Jenifer and Daniel addressed the group to reiterate the charge and assure the group of the full support and cooperation of the university. Within this first meeting, the commission made several organizational decisions about how best to proceed. Primary among these was the decision to divide the group into three working subcommittees, each of which was to be chaired by a commission member from outside the university community. The subcommittees and their membership are listed below.

### Subcommittee on Safety and Security

Bill Taylor, chief of campus police and director of public safety at Rice University in Houston, Chair

Basheer Benhalim, current president of the UTD Student Government Association

Lauren De Cillis, director of the Carolyn Lipshy Galerstein Women's Center at UTD

Dr. George W. Fair, dean of UTD's School of General Studies

### Subcommittee on Maintenance

Sanjeeb Samanta, manager of World-Wide e-Learning Initiatives at Texas Instruments, Chair - Mr. Samanta is an alumnus of The University of Texas at Dallas and former president (1993) of the UTD Student Government Association. He lived in the Waterview Apartments while a student at the university.

Dr. Anthony M. Champagne, professor of political science in UTD's School of Social Sciences and the university's pre-law advisor

Laura Rashedi, immediate past president of the UTD Student Government Association and a former resident of Waterview Apartments

### Subcommittee on Business Practices

Robert Shaw, president of Columbus Realty Partners, Ltd., an affiliate of The Staubach Company, Chair - Mr. Shaw has worked in all facets of the real estate business, including construction management, development and property management.

Louis Beecherl, III, of Beecherl Companies. Mr. Beecherl, a Dallas civic leader, is a member of the Development Board of The University of Texas at Dallas.

Iris Kwong, vice-president of the UTD Student Government Association. Ms. Kwong resides in the Waterview Apartments.

Dr. Marianne C. Stewart, professor of political science and associate dean in UTD's School of Social Sciences

A second commission decision focused on the organization of the inquiry. The commission agreed that the review would proceed in three overlapping phases. Phase one, to begin during June of this year, was to focus on research and discovery of the pertinent information and relevant stakeholders that provide the foundation for the commission's task. A second phase, which follows in July, would entail the review and analysis of this information. During August, the final phase would focus on preparing a series of recommendations for the summary report to President Daniel. At the same time, the commission felt strongly that any recommendations that emerged early in the review process, particularly with regard to security and safety, should be made part of the preliminary report.

The ensuing sections of this preliminary report are organized around the three phases of the review within each of the subcommittees. The maintenance and business practices groups are still very involved in information collection while the safety and security committee has begun evaluation of its information and has provided some preliminary recommendations. Before summarizing the work completed within each group, it is necessary to provide some background on the history of Waterview Park Apartments on the UTD campus.

## **Waterview Park Apartments**

In 1989, UTD entered into agreement with a limited partnership represented by FirstWorthing Corporation to build garden-style apartment housing designed for students at the university. Subsequent agreements, all comparable in nature, resulted in the construction of 792 one, two, and four-person apartments labeled Phases I-V which housed a potential 2,500 students. Each phase was built and owned by separate limited partnerships, although the Utley family of FirstWorthing was a principal in each phase.

The financial arrangement underpinning the agreement was a ground-lease contract with the university that resulted in a percentage of the gross apartment rentals redounding to UTD. This percentage was banded based on the level of gross revenues generated by each phase; the specific thresholds and bandwidths varied across the phases as a function of the number of units. In 1997, UTD purchased Phase V and its 96 units from the original owners at a price of four million dollars. In exchange, FirstWorthing agreed to continue managing this phase for a fee representing five percent of the gross revenue. Since that time, UTD has constructed four more phases which include an additional 446 units. These units are also managed by FirstWorthing under the same management contract that governs Phase V. Across the nine phases, there are a potential of 3,954 beds available but occupancy in 2004 totaled only about 2,600. While capacity is defined in terms of two students for each available bedroom, in many cases one-bedroom apartments are occupied by a single student and two-bedroom apartments are rented by two students.

In 2002, Phases I-IV were sold to the Anson Education Facilities Corporation, a nonprofit organization that issued Student Housing Revenue Bonds totaling 55 million dollars in support of the purchase. The purchase price of the 696 units was 45 million dollars. The units were purchased by Waterview Park LLC in order to transfer the ownership of the apartments to the Utley Foundation for the benefit of the university. This transfer has since occurred, and FirstWorthing continues to manage the apartments for the foundation (although the particulars of the management agreement are still being reviewed). UTD continues to collect its ground-lease payments but now all net proceeds will be donated by the foundation to the university which eventually will own the apartments when the bonds are retired in 2023.

## **Subcommittee Progress Reports**

While each subcommittee developed its own investigatory processes and procedures, there was strong agreement that an opinion survey of current Waterview residents would be helpful. The committee as a whole worked on developing a survey assessing student opinion on a wide range of issues concerning security, safety, maintenance, and other facets of campus and residential life. The survey was refined through successive drafts and finally published through an online survey company. More than 2,300 students living in Waterview during the spring semester of 2005 were sent e-mails asking them to respond to the survey and providing them directions for completing the

instrument. Within the week the survey was open, just over 500 current and former Waterview residents completed the instrument. All three subcommittees will use information from this survey as part of their deliberations.

### Maintenance Subcommittee

This subcommittee is currently in the middle of information-gathering through interviews and requests for information from sources within the university, within the management company, and from the larger community. It has also received counsel from Lincoln Properties, an independent real estate management company, as to industry standards regarding ownership, management, and maintenance of commercially leased apartments.

Within the first 30 days of the committee's activities, this group has been actively involved in conducting interviews and document reviews.

#### *Interviews Conducted or Scheduled*

1. Assistant Dean of Students and long time head of Residential Housing for UTD
2. Interim Vice-President of Student Affairs and former Dean of Students
3. Marketing Director for FirstWorthing Corporation
4. Area Manager for FirstWorthing Corporation
5. Head of local maintenance for FirstWorthing Corporation
6. Cohort MBA students living at Waterview Apartments
7. The past three presidents of UTD's Student Government Association
8. The past three UTD Student Government Association Housing Committee Chairs
9. Student Government Association Senators residing at Waterview Park
10. McDermott Scholars residing at Waterview Park
11. UTD Office of Student Life Residential Coordinators

#### *Documents Reviewed*

1. Information on practices of other universities that have on-campus private housing.
2. Industry maintenance standards for commercial apartments.
3. Student Government Association report on comparable garden-style apartments in proximity to the university.
4. Student Government Association minutes from meetings at which Waterview Park issues were discussed.
5. Lists of all maintenance issues submitted by students in fall 2004 and spring 2005.
6. Survey responses from about 500 Waterview residents regarding their experiences with maintenance.
7. Management contracts between FirstWorthing and UTD detailing the specific maintenance responsibilities of the management companies
8. Correspondence to the commission from students and their families who have complained about maintenance issues.

The maintenance subcommittee is now entering the review and analysis segment of its inquiry having decided its purpose is better served by attending to the overall quality of maintenance efforts rather than inventorying specific maintenance complaints. The committee is focusing on effectiveness, timeliness, thoroughness, and responsiveness of Waterview maintenance efforts, the overall process by which maintenance issues are reported and resolved, the extent to which maintenance resources meet industry standards, the working dynamics between the apartment management company and the university Residential Life staff, UTD Office of Business Affairs, and the management company's philosophy of customer service. Of course, the review and analysis process is likely to generate other areas of interest, but these are the major guideposts at present.

### Business Practices Subcommittee

This group is currently gathering and reviewing an assortment of legal documents that outline the business relationship among the university, the property management company, and the nonprofit organization that now owns Phases I-IV. The technical nature of many of these documents has required the subcommittee to retain legal counsel with a specialty in real estate law to better specify the responsibilities and entitlements of each party in the legal agreements that define their relationships. The subcommittee is also beginning the interview process.

#### *Interviews Conducted*

1. Interim Vice-President for Business Affairs
2. Associate Vice-President for Business Affairs

#### *Documents Reviewed*

1. The management contract between UTD and FirstWorthing Corporation for the operation of Phases V-IX.
2. The ground-lease contract between UTD and the Utley Foundation detailing the revenue to the university from apartment rentals in Phases I-IV.
3. The management contract between FirstWorthing Corporation and the Utley Foundation for the operation of Phases I-IV.
4. The prospectus for the Student Housing Revenue Bonds issued by the Anson Education Facilities Corporation.
5. Revenue history of the ground-lease agreement between FirstWorthing Corporation and UTD.
6. Revenue history of net income to UTD from leasing revenue in Phases V-IX.
7. Leasing contracts completed by students renting apartments at Waterview.
8. Survey responses from Waterview Park residents.

With the assistance of the consulting real estate attorney, the subcommittee will spend July analyzing these legal documents in terms of how the rights and responsibilities of each party in the agreements are specified, the extent to which they adhere to standard contracts within the industry, and any statements, policies, procedures, privileges, or protections that might influence the university's ability to provide optimal campus housing for students. The committee will also analyze the business model used by the university in its relationships with the corporate and nonprofit entities that have partnered to provide students with on-campus housing.

### Safety and Security Subcommittee

This subcommittee is fortunate to be chaired by Rice University Police Chief Bill Taylor who brings more than 20 years of university law enforcement experience to organizing the activities of the group. This subcommittee's focus is divided broadly into two areas. Through analysis of university crime statistics in Texas and across the nation, its members are reviewing whether UTD is comparable to other colleges and universities in terms of criminal activity. A second, and larger task, is to review safety and security procedures on campus, comment on the adequacy of law enforcement personnel and their deployment, evaluate the campus use of security technology, and identify landscape, architectural, and infrastructure barriers that influence safety and security on campus.

#### *Interviews Conducted or Scheduled*

1. UTD Chief of Police
2. Interim Vice-President of Student Affairs
3. Interim Dean of Students
4. Assistant Dean of Students
5. FirstWorthing Manager of Waterview Park
6. Director of Physical Plant
7. Various undergraduate and graduate students

#### *Documents Reviewed*

1. Analysis of 2001-2003 crime rates for selected US colleges and universities prepared by Dean Coleman.
2. University of Texas System Police 2003 Annual Crime Report.
3. Summary of the 'Jean Clery Act' prepared by Security on Campus, Inc.
4. Violent Crime on Campus briefing paper prepared by The University of Arkansas System School Violence Resource Center.
5. 2003 security audit report on Waterview Park Apartments prepared by ControlRisk, Inc., an independent security analysis company.
6. Survey responses from Waterview Park residents.
7. Portfolio on campus police department prepared by UTD Police.

This subcommittee is now very involved in refining a large number of specific recommendations. These recommendations fall into the broad categories of physical characteristics and condition of the Waterview Park facilities, the

operation and resources of the UTD Police Department, and the coordination, collaboration, and communication among the apartment management staff, the campus police department, the Office of Student Affairs and other university administrative units.

While this work will continue for several more weeks, the subcommittee has chosen to include several specific statements and recommendations within this preliminary report.

1. After a thorough analysis of crime statistics comparing university campuses to each other, their surrounding communities, the state in which they are located, and the entire nation, two facts are clear. First, college and university campuses are among the absolute safest settings anywhere with respect to crime. Secondly, in comparison to other universities in Texas, and to a number of such prestigious universities as Harvard, Stanford, The University of Virginia, and The University of North Carolina, UTD has comparably low rates of criminal activity across a wide range of crime categories.
2. Based on the subcommittee's day and night walks through the Waterview Park Apartments and the recommendations made in a 2003 security audit completed by ControlRisk, an independent security auditor, the apartment owners, managers, and UTD must improve their lighting maintenance program. This includes better coordination between Waterview managers and the university in conducting periodic lighting surveys, a commitment to replacing and upgrading many of the current building and parking lot lights in Phases I-IV as well as the remainder of the campus, and weighing the use of an outside lighting company consultant to rethink elements of the base security lighting design.
3. Waterview Park and the university must implement the 2003 recommendation by ControlRisk that emergency call box/phones, such as those manufactured by Code Blue, be installed both inside and outside buildings within the entire apartment complex.
4. Between 1999 and 2004, full-time student enrollment at UTD increased by 39.5%, the number of staff employees by 55%, faculty members by 34%, overall enrollment by 41% and the physical plant increased in size by 39%. During this interval the campus police department increased in size by only one officer. The university must increase the size of the campus police force to reflect the far larger campus it is expected to protect and serve.

## **Summary**

The Advisory Commission on Residential Housing is now completing the first month in a three-month process that will culminate in a series of recommendations as to how the university and its partners can provide current and future UTD students the best residential housing environment possible. To this point, most of the work has been focused on discovery and, as this report attests, each of the three subcommittees has been extremely active. The Advisory Commission has been fortunate to have received excellent cooperation from all quarters. The next task is to distill, from the voluminous information



gathered, that which is most relevant to our original charge. The commission meets next on July 22 at which time each of the subcommittees will summarize its progress in the review and analysis stage of the inquiry and plan the structure of the final report.