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# OFFICIAL STATEMENT

RELATING TO THE PUBLIC OFFERING

OF UNIVERSITY OF ILLINOIS

\$1,750,000 URBANA-CHAMPAIGN RESIDENCE HALLS

REVENUE BONDS SERIES OF 1952



# NOTICE OF SALE

## NOTICE IS HEREBY GIVEN

that sealed bids will be received by the Board of Trustees of the University of Illinois, Urbana, Illinois, until the hour of 11:00 a.m. (Central Standard Time) on the 14th day of February, 1952, at the University of Illinois Center, 20th Floor, LaSalle Hotel, LaSalle and Madison Streets, Chicago, Illinois, for the following described bonds: \$1,750,000 revenue bonds of the denomination of \$1,000 each dated March 1, 1952, interest payable September 1, 1952, and semi-annually thereafter on the first day of March and September of each year and be due and payable as follows:

UNIVERSITY OF ILLINOIS  
LA SALLE HOTEL  
CHICAGO, ILLINOIS

GENTLEMEN:

For one million seven hundred  
thousand dollars of  
Chicago Residence Bonds  
at the rate or rates specified

( \$ ) and

The said bonds maturing for  
shall bear interest at the rate

The said bonds maturing for  
shall bear interest at the rate

The said bonds maturing for  
shall bear interest at the rate

It is hereby represented that  
will be \$ , and

It is requested that

terms and conditions of the

A certified check in the sum  
of Trustees of the University  
shall be returned to the undersigned in accordance  
to the undersigned in accordance  
shall be applied as and when  
therefor, or be applied as and  
for said bonds.



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**MATURITY DATES**

March 1, 1954

**PRINCIPAL AMOUNT**

\$20,000

# PROPOSAL FOR THE PURCHASE OF \$1,750,000

## UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN RESIDENCE HALLS REVENUE BONDS SERIES OF 1952

TO THE BOARD OF TRUSTEES OF  
THE UNIVERSITY OF ILLINOIS  
UNIVERSITY OF ILLINOIS CENTER  
LASALLE HOTEL  
CHICAGO, ILLINOIS

.....1952

GENTLEMEN:

For one million seven hundred fifty thousand dollars (\$1,750,000), par value, Revenue Bonds for the Urbana-Champaign Residence Halls, Series of 1952, of the Board of Trustees of the University of Illinois, bearing interest at the rate or rates specified below, we will pay you.....

(\$.....) and accrued interest to the date of the delivery of said bonds to us.

The said bonds maturing from.....to.....inclusive shall bear interest at the rate of.....per centum (.....%) per annum.

The said bonds maturing from.....to.....inclusive shall bear interest at the rate of.....per centum (.....%) per annum.

The said bonds maturing from.....to.....inclusive shall bear interest at the rate of.....per centum (.....%) per annum.

It is hereby represented that the gross interest cost, computed upon the above specified rate or rates of interest, will be \$....., and that the net interest cost (deducting premium offered, if any) will be \$.....

It is requested that.....

.....be named as Paying Agent for these Bonds. This proposal is subject to all of the terms and conditions of the notice of sale contained in the Official Statement dated January 7, 1952.

A certified check in the amount of seventeen thousand five hundred dollars (\$17,500.00), payable to *The Board of Trustees of the University of Illinois*, accompanies this proposal as an evidence of good faith, and said check shall be returned to the undersigned if this bid be not accepted or if the Board should fail to deliver said bonds to the undersigned in accordance with the terms of this bid; otherwise said check shall be held by the Board and shall be applied as and when the bonds are delivered and paid for under the terms of this bid as part payment therefor, or be applied as and for liquidated damages in the event that the undersigned fails to take up and pay for said bonds.

By.....



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**MATURITY DATES****PRINCIPAL AMOUNT**

March 1, 1954	\$20,000
September 1, 1954	20,000
March 1, 1955	20,000
September 1, 1955	20,000
March 1, 1956	20,000
September 1, 1956	20,000
March 1, 1957	20,000
September 1, 1957	20,000
March 1, 1958	20,000
September 1, 1958	20,000
March 1, 1959	25,000
September 1, 1959	25,000
March 1, 1960	25,000
September 1, 1960	25,000
March 1, 1961	25,000
September 1, 1961	25,000
March 1, 1962	25,000
September 1, 1962	25,000
March 1, 1963	25,000
September 1, 1963	25,000
March 1, 1964	25,000
September 1, 1964	25,000
March 1, 1965	25,000
September 1, 1965	25,000
March 1, 1966	30,000
September 1, 1966	30,000
March 1, 1967	30,000
September 1, 1967	30,000
March 1, 1968	30,000
September 1, 1968	30,000
March 1, 1969	30,000
September 1, 1969	30,000
March 1, 1970	30,000
September 1, 1970	30,000
March 1, 1971	30,000
September 1, 1971	35,000
March 1, 1972	35,000
September 1, 1972	35,000
March 1, 1973	35,000
September 1, 1973	35,000
March 1, 1974	35,000
September 1, 1974	35,000
March 1, 1975	35,000
September 1, 1975	35,000
March 1, 1976	35,000
September 1, 1976	40,000
March 1, 1977	40,000
September 1, 1977	40,000
March 1, 1978	40,000
September 1, 1978	40,000
March 1, 1979	40,000
September 1, 1979	40,000
March 1, 1980	40,000
September 1, 1980	45,000
March 1, 1981	45,000
September 1, 1981	45,000
March 1, 1982	65,000



Both principal and interest will be payable at a bank or trust company in Chicago which may be selected by the bidder subject to the approval of the University. Name of such paying agent must be submitted for approval within three days after bids have been received and opened. If the bidder does not submit for approval the name of the paying agent within said three days, the University will select the paying agent and depository.

Proceeds of said bonds together with other funds will be used to complete the construction of additions to the Men's Residence Halls located at Fourth and Gregory Drive, Champaign, Illinois, for redeeming outstanding Men's Residence Halls revenue bonds of 1948, in the principal amount of \$233,000, and for remodeling Busey and Evans Halls (women's residences) located at 1111-1115 West Nevada, Urbana, Illinois.

Said bonds will be issued in accordance with the authority granted to the Board of Trustees of the University of Illinois by an Act entitled:

**AN ACT** to authorize the Board of Trustees of the University of Illinois to acquire by purchase or otherwise, construct, equip, complete, operate, control and manage student residence halls, staff housing facilities, dormitories, health and physical education buildings, or other revenue producing building or buildings, defining the duties of such Board with respect to operation and maintenance thereof, charge fees or rates for the use thereof, and providing for and authorizing the issue of bonds for the purpose of defraying the cost of construction, acquisition or equipment of any such building or buildings, payable solely from the revenues derived from the operation thereof, and for the refunding of any such bonds. Approved June 30, 1945. L. 1945, p. 1753; title as amended by Act approved July 21, 1947.

Said bonds will be callable on 30 days' notice on any interest date at the following dates and prices: Noncallable to February 28, 1957; callable as a whole, or in part, on any interest payment date on or after March 1, 1957, to and including September 1, 1960, at 104; callable as a whole, or in part, on any interest payment date on or after March 1, 1961, to and including September 1, 1964, at 103; callable as a whole or in part, on any interest payment date on or after March 1, 1965, to and including September 1, 1968, at 102; callable as a whole, or in part, on any interest payment date on or after March 1, 1969, to and including September 1, 1972, at 101; callable as a whole or in part, on any interest payment date on March 1, 1973, and thereafter prior to maturity, at par. Bonds shall be called in inverse order of their maturities. If less than all of any maturity is to be called for redemption at any time, then the bonds of such maturity to be called and redeemed shall be selected by lot in any usual manner. In the opinion of counsel, interest will be exempt from all federal income taxes under existing rules, regulations, and decisions.

Said bonds will be payable solely from the revenues derived from the operation of the present Men's Residence Halls, located at 1215 South Fourth Street, Champaign, and the additional units thereto now in the process of construction, and from the operation of Busey-Evans Halls for women.



The Board of Trustees will covenant that it will include in the rates charged to students living in the Men's Residence Halls and in Busey-Evans Halls a sum adequate for payment of interest and principal as long as any of these bonds are outstanding.

The Board of Trustees will covenant that it will keep the buildings and furnishings under this loan adequately insured against fire and other hazards.

The Board of Trustees will covenant that after setting aside therefrom the cost of operating, maintaining, insuring, and repairing said buildings and equipment, all income will be set aside for the benefit of the bondholders.

Said bonds will be awarded to the responsible bidder on the basis of the lowest interest cost to the University. Bidders may specify interest rate, or rates, in multiples of one-quarter of one per cent, but all bonds of the same maturity shall bear the same interest rate. No bid will be considered at less than par. In determining the best bid, the interest cost to the University of Illinois will be computed by determining the interest from March 1, 1952, to maturity at the rate or rates specified by the bidder after deducting therefrom any premium offered. Bids must be for all and not a part of said bonds.

Bids will be opened by representatives of the Board of Trustees at the University of Illinois Center, 20th Floor, LaSalle Hotel, LaSalle and Madison Streets, in the city of Chicago, Illinois, at 11:00 a.m. (Central Standard Time) on the 14th day of February, 1952, at which time and place bids will be publicly read. Award will be made by the Executive Committee of the Board of Trustees on the day on which bids are received.

Said bonds will be delivered with the unqualified approving opinion of Chapman and Cutler, Attorneys, Chicago, Illinois, said opinion to be paid for by said University of Illinois; the printed bonds to be supplied by the University of Illinois and all bids must be so conditioned.

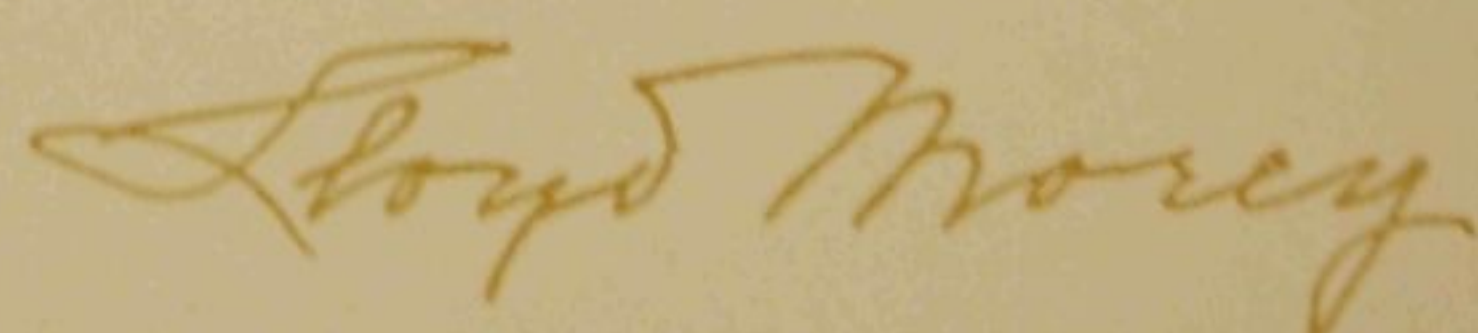
On November 1, 1951, the Midwestern Investment Banking Voluntary Credit Restraint Committee expressed the view that the offering of said bonds appears to be in harmony with the principles of the Voluntary Credit Restraint Program.

Each bid must be accompanied by a certified check drawn on a state or national bank and made payable to the Board of Trustees of the University of Illinois, Urbana, Illinois, in the sum of \$17,500 as a guarantee of good faith, which amount will be forfeited in the event the successful bidder fails to take up and pay for said bonds.

All proposals should be enclosed in a sealed envelope and marked on the outside "Proposal for Revenue Bonds, Urbana-Champaign Residence Halls, Series of 1952," and addressed to Comptroller, University of Illinois, University of Illinois Center, LaSalle Hotel, LaSalle and Madison Streets, Chicago, Illinois.

The University of Illinois reserves the right to reject any and all bids.

By Order of the Board of Trustees this 7th day of January, 1952.



Comptroller



# DESCRIPTION OF FACILITIES

## Income Pledged for Amortization of This Issue

1

**ADDITION NO. 1 TO THE MEN'S RESIDENCE HALLS** The first unit of construction will provide dormitory-type housing for 288 students. The design of this building is based upon a highly popular project for 300 students which was established in a remodeled gymnasium following World War II. The various functions of the residential group are separated. Sleeping areas, seminar-type study rooms, and adequate bath facilities are provided on each level above the ground floor which is largely devoted to lounge and recreation facilities for residents.

The provision of facilities of this type will enable the University to offer housing in a permanent building of good quality, and with a design which has proven to be popular, at costs which will permit a relatively low rental rate.

The total cost of the first addition, including equipment, is estimated at \$609,900 excluding the cost of land which is now owned by the University. Contracts have been awarded for this work, with performance bonds, within this total amount. Construction is in progress and the building is scheduled for occupancy by September, 1952.







**ADDITION NO. 2 TO THE MEN'S RESIDENCE HALLS** This building will provide housing in individual rooms on the third and fourth floors to accommodate 106 students. Lounge facilities are provided on each floor. Recreation space will be available for this group in the existing Men's Residence Halls.

The ground floor and the first and second floors of the building will be devoted to a food service unit for 1,100 students. The clientele for the food operation will be drawn from:

Men's Residence Halls (all spaces rented on a semester contract covering both room and board)

Existing Men's Residence Halls — housing capacity	497
Men's Residence Halls Addition No. 1 — housing capacity	288
Men's Residence Halls Addition No. 2 — housing capacity	106
Total room and board contracts	891

Parade Ground Units — (housing capacity 1,150; board contracts optional) 209

Total food service capacity 1,100

Food service in a residence hall is entirely different from that operated on a commercial competitive basis. All occupants of the residence halls must sign contracts which include room rental and charges for meals for the entire semester. No refunds are made for occasional meals missed on week ends, etc. Some men are permitted to pay for meals by working instead of by cash. Menus are fixed, and, with a known number to be served, food waste can be held to a minimum, with a resulting low food cost. Actual operations of food service in present halls indicate that this is a profitable operation. (See Appendix D.)

The Parade Ground Units are temporary-type buildings which will be replaced by permanent facilities as the University housing construction program moves forward. There are now no food service facilities in this area other than the unit in the existing Men's Residence Halls. On the basis of past demand, the University anticipates no difficulty in maintaining this food operation at full capacity.

The total cost of this building, properly equipped, is estimated at \$1,144,100 excluding the cost of land which is now owned by the University. Bids have been received for this work which indicate that the project can be completed within this amount. This unit is scheduled for occupancy in September, 1953.

2



# 3

## REMODELING OF THE PRESENT MEN'S RESIDENCE HALLS

The only permanent residence halls for men operated by the University were constructed in 1940, at a cost of \$687,225. Depreciated replacement cost is estimated at \$2,000,000. After remodeling they will provide housing for 497 men. Of this number, 400 will be accommodated in existing individual rooms for one, two, or three students. The remaining 97 will be housed in dormitory-type space to be made available from the remodeling of the areas in the building now devoted to food service, at a cost of \$30,000. The food service now provided in this project will be transferred to the Men's Residence Hall Addition No. 2, upon completion of that unit. This remodeling will be done during the summer of 1953 in order not to interrupt food service operations.

There will be an outstanding indebtedness of \$233,000 on these buildings after the March 1, 1952, maturities are paid. The indebtedness will be retired from the proceeds of this bond issue. The call premium will be provided from the existing sinking fund.

# 4

**MODERNIZATION OF BUSEY-EVANS HALLS** Busey Hall was constructed in 1917 and Evans Hall in 1926 as residence halls for women. Their original cost plus improvements to date amount to \$492,707. Depreciated replacement cost is estimated at \$1,650,000. These units are free of debt. They provide housing and food service for 359 women students. Twenty-five thousand dollars of the borrowed funds will be applied to the cost of modernizing these buildings.



# SUMMARY OF PROGRAM

The capital program covered by this bond issue includes the following four projects:

1. Construction of Addition No. 1 to Men's Residence Halls	\$ 609,900
2. Construction of Addition No. 2 to Men's Residence Halls	1,144,100
3. Modernization of Busey-Evans Halls	25,000
4. Remodeling of Men's Residence Halls, including refunding of existing bonds	<u>263,000</u>
Total cost of program	\$2,042,000
Less available University appropriations	<u>292,000</u>
Amount to be borrowed	\$1,750,000

Net income from all of the above buildings will be pledged for the payment of interest and principal on these bonds.

# SOURCE OF REVENUE

Revenue from the operation of all of these housing units will be derived from rental charges to students. Contracts including both housing and food service are issued to all occupants on a semester basis. The proposed rates, indicated below, are based upon estimated costs, including debt service, and compare favorably with the average charge for similar accommodations in this community.

Rates are subject to revision as operating costs change. The Board of Trustees covenants that the rates charged will be adequate to cover operating costs and debt service.

Vacancy loss is conservatively estimated at 4% during the academic year in all residence halls. The actual experience during the past three years has averaged 2%. Because of reduced enrollment during the summer, only Busey-Evans Halls are operated (men being housed in Evans Hall), since this is more economical than operating both Men's Residence Halls and Busey-Evans Halls on the basis of partial occupancy. Vacancy loss is conservatively estimated at 19% during the summer.



# Summary Budget of Operations

(See Appendix C for Detailed Budgets.)

Income:	<i>Annual Amount</i>	
Room and Board Contracts	\$984,672	
Less vacancy loss	49,603	\$ 935,069
Other income (Conferences, etc.)		62,340
Total Income		997,409
Expense:		
Administration and Student Services		67,554
Housing and Food Operations		762,305
Reserves for Repairs and Maintenance		51,501
Total Expense		881,360
Balance Available for Debt Service		\$ 116,049

## Proposed Rates

(Including Housing and Food Service)

<i>Academic Year (Two Semesters)</i>			<i>Summer Session</i>	
	<i>Number Persons</i>	<i>Rate</i>	<i>Number Persons</i>	<i>Rate</i>
Single	97	\$767	37	\$206
Large double	386	714	144	195
Small double	284	672	148	183
Triple and quadruple	98	651	30	177
Dormitory	385	575	...	...
Board only	209	433	...	...

## Coverage During Construction

Income from the present Men's Residence Halls and from Busey-Evans Halls will be available from the date of issue of the bonds.

For the school year 1952-53 income from Addition No. 1 will also be available. The total income for this 18-month period is estimated at \$104,000, and will be available for payment of interest during this period. The balance will provide a margin of safety for future debt requirements. (See Appendix B for complete amortization schedule and estimated cumulative surplus over the life of the issue.)



# NEED FOR THE FACILITIES

There is a pressing need for permanent residence halls to accommodate approximately 3,000 men. Prior to World War II, the University required all students to live in accommodations meeting the minimum housing standards of the American Public Health Association. Undergraduate women students are now required to do so. The Board of Trustees will again require all men to live in approved houses as soon as the supply of adequate housing will permit.

Of the 11,355 men students in residence at the Urbana campus of the University, approximately 8,500 are single and are potential applicants for space in residence halls of the type which the University proposes to build. Almost 3,000 of the 8,500 single men are now living in quarters which do not meet minimum housing standards.

The only permanent housing facilities for men which the University operates on the Urbana campus were constructed in 1940. These buildings have a designed capacity of 365 but are presently accommodating 497 men due to the shortage of such facilities. Since the opening of these buildings, the demand for such space has consistently exceeded the supply by a wide margin. The remodeling in the existing hall will eliminate barracks-type housing for 70 men, but the total number accommodated will not be changed.

Since the military situation is a factor affecting enrollment and the demand for student housing, a brief summary of the University of Illinois' experience during World War II is appropriate. The University was asked to cooperate in the ASTP, Navy V-12, and Navy Signal Corps programs, providing instruction, housing, and food service. The only residence halls owned by the University at that time were the Men's Residence Halls and Busey-Evans Halls. These were used for the Armed Services programs. In addition, the ice skating rink, a gymnasium, and the west hall of the Stadium were converted into barracks and the Illini Union ballroom into a mess hall for military personnel.

Even this was not enough. Most of the 50 fraternities on campus were used at the peak period, although that arrangement was not entirely satisfactory to the Armed Forces or to the University.

The only residence halls constructed since the war have been the Lincoln Avenue Residences for 540 women. If the military situation should become so acute that enrollment would be drastically curtailed, then it is highly probable that the University of Illinois would again be called upon to train, house, and feed military personnel. The Men's Residence Halls would be the first units to be used for such programs.



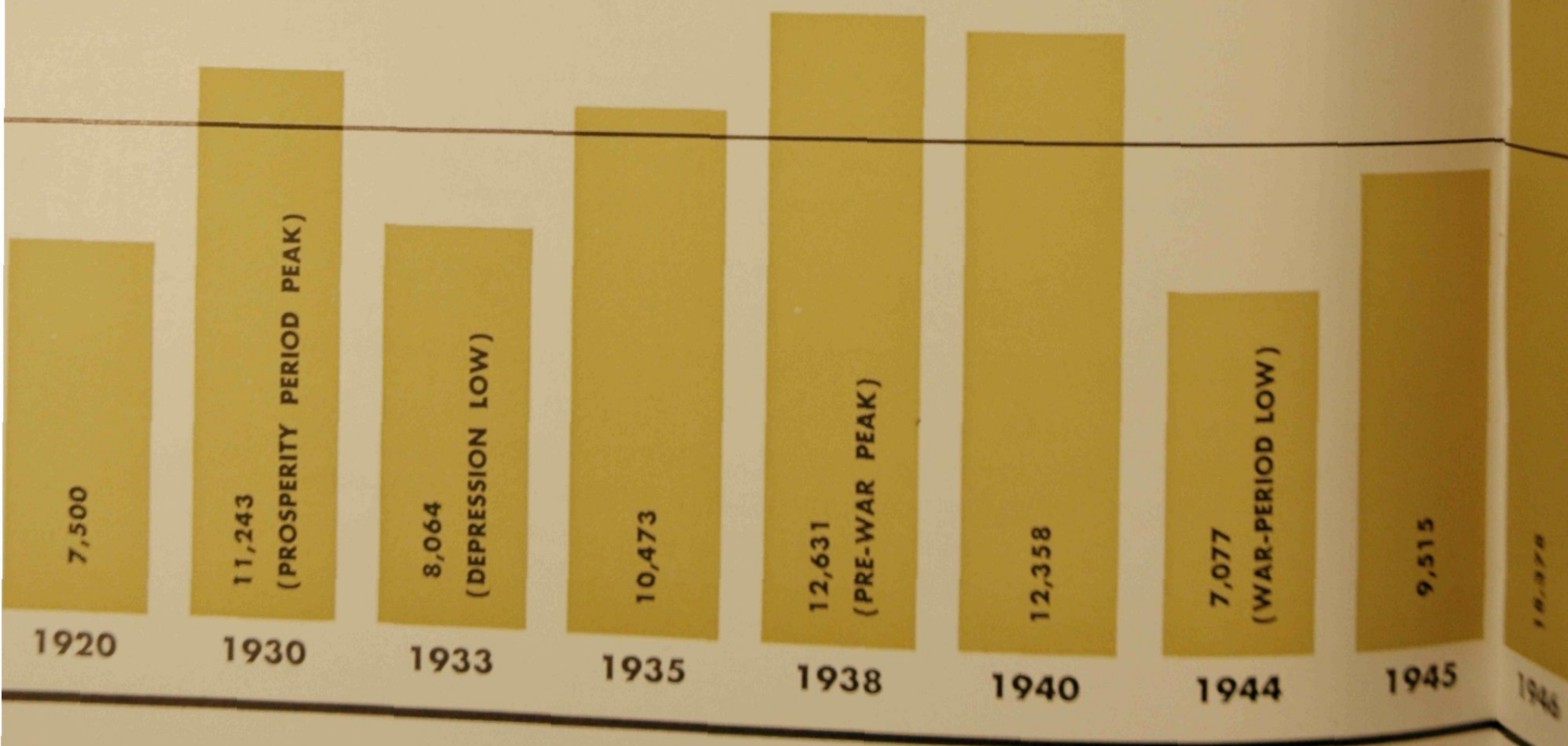
# ENROLLMENT PROSPECTS

During the past fifty years there has been a general upward trend in enrollment on the Urbana-Champaign campus, altered only by economic and military conditions.

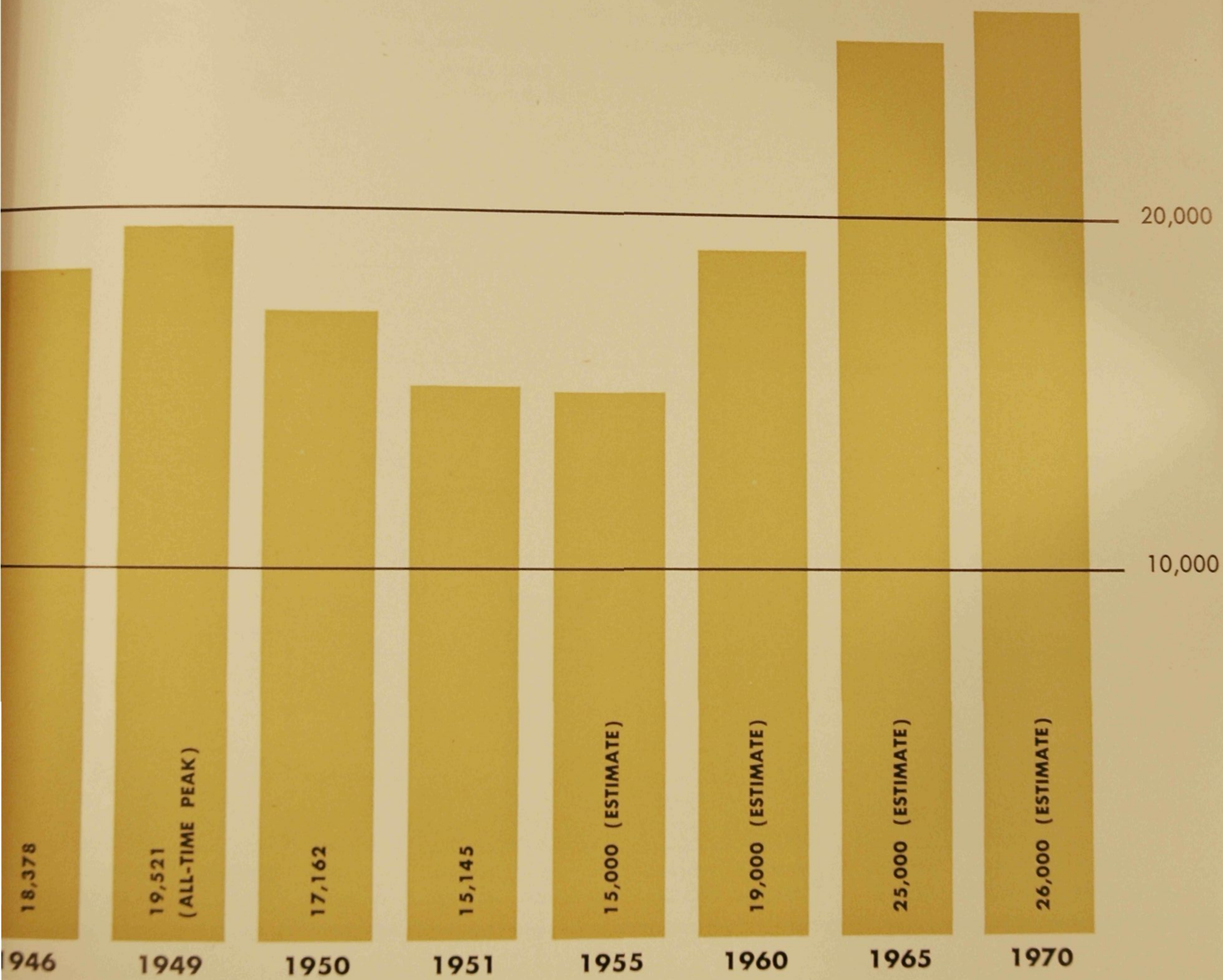
The present decline in enrollment is only a temporary one, barring extreme changes in military or economic conditions. It is a result of two factors: (1) Most of the veterans whose education was deferred by the war have now completed their work; (2) high school graduating classes are much smaller, due to the low birth rate during the depression.

By 1955, a gradual upward trend in enrollment is again expected, reaching a new peak when the war babies reach college age. These predictions may be altered either upward or downward by major economic or military developments.

No additional housing for single students in Urbana-Champaign has been provided from private funds during the past ten years, despite a severe shortage of such facilities during most of that period. It is not anticipated that private funds will provide the necessary capital with which to construct any significant amount of housing facilities needed at the enrollment peak. The construction program proposed at this time will relieve only a small part of the existing shortage, which will become even more acute as the enrollment goes up.









# PERCENTAGE OF STUDENTS LIVING IN UNIVERSITY-OWNED RESIDENCE HALLS

Percentage

"Big Ten Universities" 1951

With the two new additions, constructed from the proceeds of this issue, the University will be providing permanent residence halls for only 891 men, slightly less than 8% of the total men enrolled. After completion of the proposed program, the University of Illinois will still be providing permanent housing for a smaller percentage of its men students than any other school in the Big Ten except one, including those in metropolitan areas where a large number of the students live at home.



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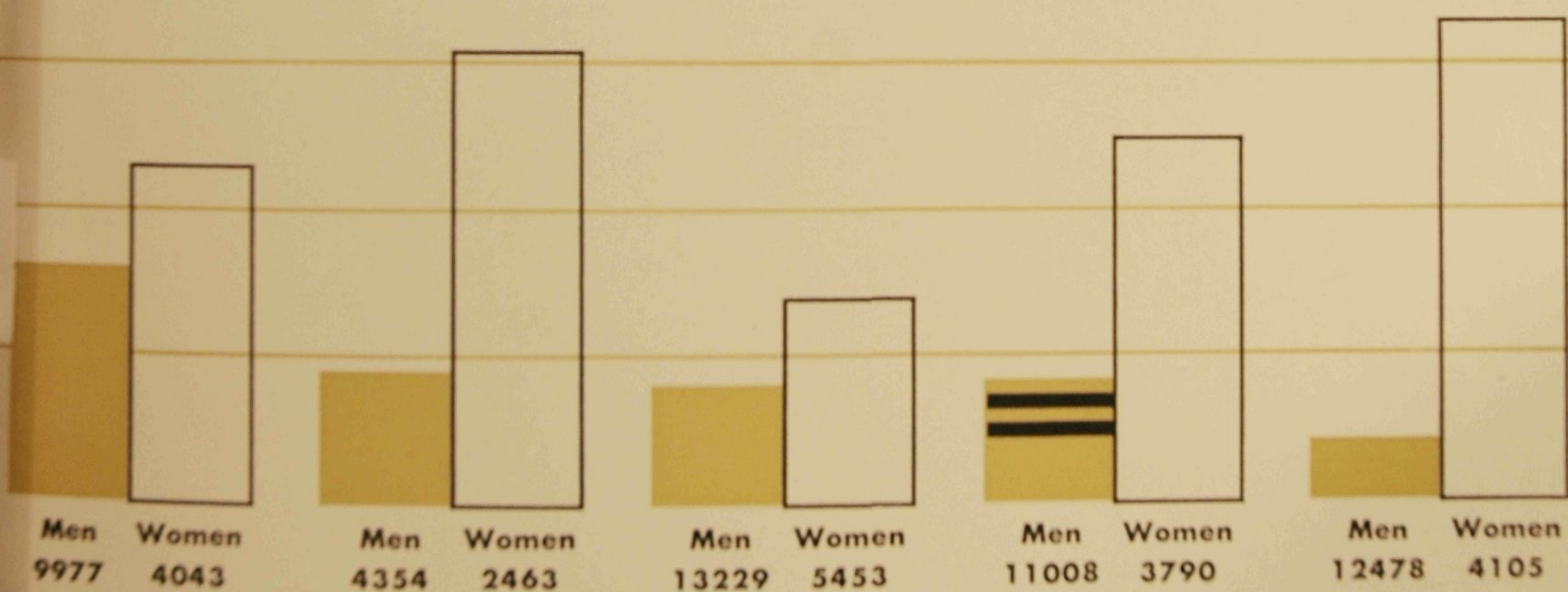
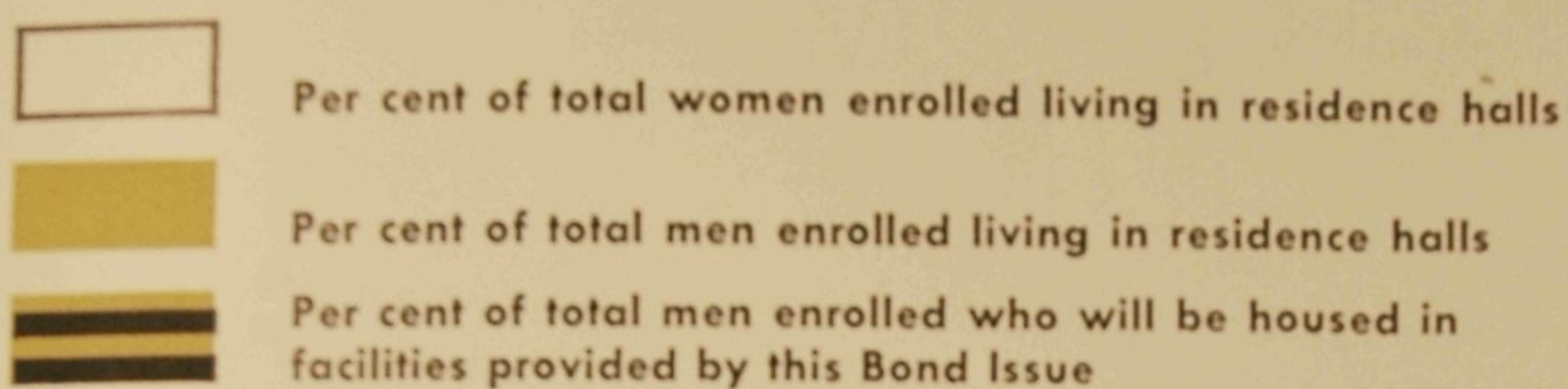
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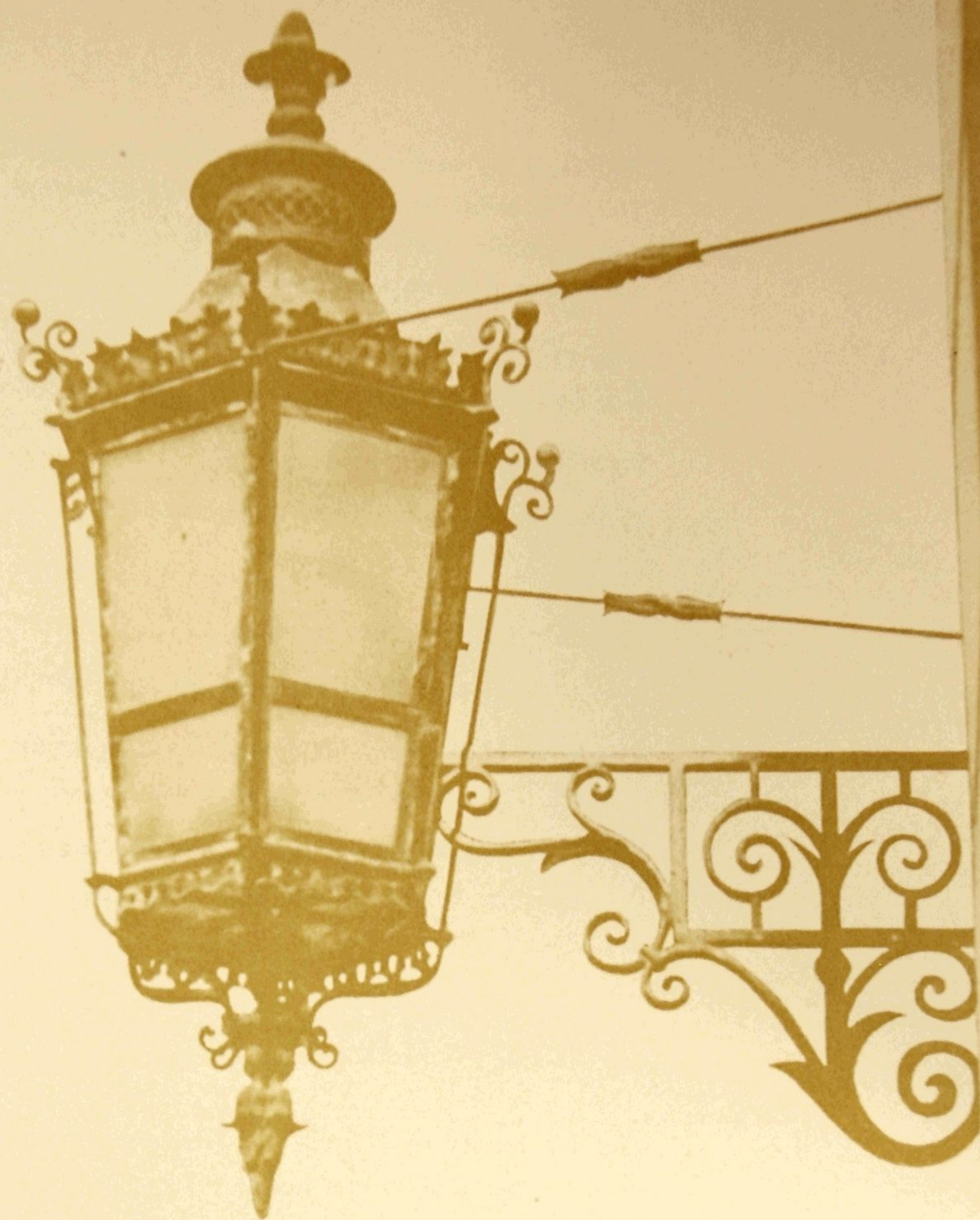
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## THE UNIVERSITY OF ILLINOIS

The University of Illinois was incorporated February 28, 1867, by the General Assembly of Illinois, in accordance with the "Morrill Land Grant College Act." It is the Land Grant College of the state of Illinois. During its eighty years of existence the University has grown to be the second largest University or College in the United States, from the standpoint of full-time students. The main undergraduate campus is located at Urbana-Champaign, approximately 128 miles south of Chicago. The professional Colleges of Medicine, Pharmacy, and Dentistry are located in Chicago and an Undergraduate Division is located at Navy Pier in Chicago.

The University is controlled by a Board of Trustees, nine members of which are elected from the State at large. In addition, the State Superintendent of Public Instruction and the Governor of the State are members *ex-officio*. The functions of this Board are legislative and not executive. The Board formulates the general policies for the University, secures, as far as possible, the needed revenue and determines the ways in which it shall be applied.



The total net investment in plant and equipment for the University is \$89,727,107. The total staff of the University, including administrative, academic, and nonacademic, totals approximately 7,000 persons, of which over 5,000 are on the Urbana-Champaign campus.

The University's operating income for the fiscal year ending June 30, 1951, was \$43,076,487 and was derived from the following sources:

State appropriations from tax revenues. . . . .	\$27,139,367
Federal Government for teaching, research, and extension. . . . .	4,200,500
Student fees. . . . .	3,598,990
Private gifts and endowments. . . . .	1,265,362
Earnings of educational departments and miscellaneous income. . . . .	1,554,942
Residence Halls, Staff Housing, Union Building, Hospital, and other self-supporting auxiliary enterprises. . . . .	4,826,579
Gifts, endowment income for scholarships and prizes, and veterans' books and supplies. . . . .	490,747

## Other Indebtedness

The University of Illinois, on November 30, 1951, had other indebtedness as shown in the following schedule:

### Obligations of the University

Chicago Illini Union Building — Original amount of \$130,000 issued 1940, due to 1961. Refunded 1943 in amount of \$109,000. Interest 3¼%, due serially to 1960	\$ 56,000
Illini Union Building, Urbana — Original amount of \$656,000 issued 1939, due to 1959. Refunded 1947 in amount of \$425,000. Interest 1½% and 1¾%, due serially to 1957	235,000
Men's Residence Halls, Urbana-Champaign — Original amount of \$650,000, issued 1940, due to 1961. Refunded 1948 in amount of \$400,000. Interest 2½% and 3%, due serially to 1960	255,000*
Women's Residence Halls, Urbana-Champaign — Original amount of \$800,000, issued 1949. Interest 4%, 2½% and 2¾%, due serially to 1973	754,000

\* After principal payments due March 1, 1952, the outstanding indebtedness will be \$233,000, which amount will be refunded from the proceeds of this issue.



Staff Housing Revenue Bonds, Urbana-Champaign — Original amount of \$175,000, issued 1949. Interest 2½% and 2¾%, due serially to 1969	165,000
Colleges of Dentistry, Medicine, and Pharmacy, Chicago — Original amount of \$4,600,000, issued April 1, 1951. Interest 3½%, 2½% and 2¾%, due serially to 1981	4,600,000
Student-Staff Apartments, 2nd Unit, Urbana-Champaign — 2¼%, 2½% and 2¾%. Original amount of \$700,000, issued 1950, due serially to 1970	673,000
Total, University of Illinois	<u>\$6,738,000</u>

#### **Obligations of the University of Illinois Foundation**

Staff Housing, Urbana-Champaign — 3%. Original amount of \$176,000, issued 1947, due serially to 1956	\$ 47,345
Staff Housing, Hessel Boulevard, Urbana-Champaign — 3%. Original amount of \$83,700, issued 1947, due serially to 1957	43,335
Student-Staff Apartments, 1st Unit, Urbana-Champaign — 4%. Original amount of \$900,000, issued 1949, due serially to 1973	861,876
Total University of Illinois Foundation	<u>\$ 952,556</u>
GRAND TOTAL	<u><u>\$7,690,556</u></u>

Further information concerning this issue can be secured from any of the following persons at the University of Illinois at Urbana: Lloyd Morey, Comptroller, or H. O. Farber, Assistant Comptroller, Telephone 7-6611, Ext. 607; S. E. Thompson, Director of Housing, Telephone 7-6611, Ext. 611.



## ILLINOIS REVISED STATUTES 1951

## Chapter 144, Sections 48.1-48.7

**AN ACT** to authorize the Board of Trustees of the University of Illinois to acquire by purchase or otherwise, construct, equip, complete, operate, control and manage student residence halls, staff housing facilities, dormitories, health and physical education buildings, or other revenue producing building or buildings, defining the duties of such Board with respect to operation and maintenance thereof, charge fees or rates for the use thereof, and providing for and authorizing the issue of bonds for the purpose of defraying the cost of construction, acquisition or equipment of any such building or buildings, payable solely from the revenues derived from the operation thereof, and for the refunding of any such bonds. Approved June 30, 1945. L. 1945, p. 1753; title as amended by Act approved July 21, 1947. L. 1947, p. 1738.

*Be it enacted by the People of the State of Illinois, represented in the General Assembly:*

48.1 Student residence halls — Staff housing facilities and other revenue producing buildings — Manner of acquisition.] § 1. The Board of Trustees of the University of Illinois is hereby authorized to:

A. Acquire by purchase or otherwise, construct, equip, complete, operate, control and manage student residence halls, staff housing facilities, dormitories, health and physical education buildings and any other revenue producing buildings of such type and character as the Board of Trustees shall from time to time find a necessity therefor exists and as may be required for the good and benefit of the University, and for that purpose may acquire property of any and every kind and description, whether real, personal or mixed, by gift, or otherwise.

B. Maintain and operate any such buildings and to charge for the use thereof and carry on such activities, as are commonly conducted in such types of buildings as will produce a reasonable excess of income over maintenance and operation expenses.

C. Hold in the treasury of the University of Illinois all funds derived from the operation of any such building or buildings and to apply the same toward the cost, maintenance and operation thereof, and for the retirement of any bonds issued in connection with the acquisition, construction or equipment thereof.

D. Enter into contracts touching in any manner any matter within the objects and purposes of this Act.

E. Acquire building sites and buildings by gift, purchase or otherwise, and pledge the revenues thereof for the payment of any bonds issued for such purposes as provided in this Act.

F. Borrow money and issue and sell bonds at such price as the Board of Trustees may determine for the purpose of acquiring, completing, constructing, or equipping such buildings, and to refund or refinance, from time to time as often as it shall be advantageous and in the public interest to do so, any and all bonds issued and sold by the Board pursuant to this Act; provided that no bonds shall be issued and sold at a price which will yield to maturity, computed according to standard tables of bond values, a return at the interest



rate specified therein in excess of five per cent per annum. Such bonds shall be payable solely and only from the revenues derived from the operation of any such building or buildings acquired, completed, constructed or equipped with the proceeds of such bonds, and shall be secured by a pledge of sufficient of the revenues of any such building or buildings so acquired, completed, constructed or equipped as herein provided.

Such bonds shall have all the qualities of negotiable instruments under the Law Merchant and the Negotiable Instrument Law.

Said Board of Trustees shall have power from time to time to execute and deliver trust agreements hereunder to a bank or trust company authorized by the laws of this State or of the United States of America, to accept and execute trusts in the State. Such trust agreements may contain any provision for the deposit with the Trustee thereunder and the disposition of the proceeds of the bonds issued under the provisions of this Act and secured thereby, and such provisions for the protection and the enforcement of the rights and remedies of said Trustee and the holders of such bonds as the Board of Trustees may approve. As amended by act approved July 21, 1947. L. 1947, p. 1738.

**48.2 Execution of bonds — Registration — Payment of bonds solely from revenue — Record of bonds issued.] § 2.** All such bonds shall be signed by the President and any two members of the Board of Trustees and shall have the seal of the University affixed thereto and shall be attested by the Secretary of such Board of Trustees, and in case any officer or member of the Board of Trustees who shall have signed or attested any such bonds, shall cease to be such officer, or member of the Board of Trustees, before such bonds shall have been issued by the Board of Trustees, such bonds may nevertheless be validly issued by said Board. Said Board of Trustees may provide for registration as to principal of any of such bonds. All interest coupons shall be authenticated by the facsimile signatures of the President and Secretary of the Board of Trustees of the University of Illinois. Such bonds shall be payable solely and only from the revenues of any such building or buildings and shall in no case be or become a charge or debt against the State of Illinois or the Board of Trustees of the University of Illinois, and such fact shall be plainly stated on the face of each bond.

The Board of Trustees shall furnish a record of all bonds issued under this Act to the Auditor of Public Accounts. As amended by act approved June 22, 1951. L. 1951, p.—, H.B. No. 329.

**48.3 Resolution of Board of Trustees — Contents — Pledge of revenues.] § 3.** Upon the determination by the Board of Trustees to acquire, complete, construct, or equip any student residence hall, staff housing facility, dormitory, health and physical education building, or other revenue producing building or buildings, the Board of Trustees shall adopt a resolution describing in a general way the contemplated project, the estimated cost thereof, and fix the amount of bonds, the maturity or maturities, the interest rate, and all details in respect thereof. Such resolution shall contain such covenants and restrictions upon the issuance of additional bonds that may thereafter be issued payable from the rents, issues and profits derived from the operation of any such building or buildings as may be deemed necessary or advisable for the assurance and payment of the bonds thereby authorized, and such resolution shall pledge



for the maintenance and operation of any such building or buildings and for the payment of the principal of and interest upon such bonds, the revenues derived from the operation thereof. As amended by act approved July 21, 1947. L. 1947, p. 1738.

**48.4 Charges or fees for use of buildings.]** § 4. Whenever bonds are issued by the Board of Trustees, as provided in this Act, it shall be the duty of such Board to establish a charge or fee for the use of any such building or buildings sufficient at all times to pay maintenance and operation costs and principal of and interest on such bonds, and all revenues derived from the operation thereof shall be set aside in a separate account and fund which shall be used only in paying the cost of maintenance and operation, and paying the principal of and interest upon the bonds issued for the purpose or purposes set forth and described in the resolution authorizing the issue of said bonds, and such charges or fees shall be sufficient at all times for such purposes.

**48.5 Enforcing or compelling performance of duties with reference to fees and charges.]** § 5. Any holder of a bond, or of any of the coupons of any such bonds, issued under this Act, may either in law or in equity, by suit, action, mandamus or other proceeding enforce and compel the performance of all duties required by this Act, including establishment of sufficient fees or charges for use of any such building or buildings and the application of the income and revenue thereof, and it shall be the duty of the Board of Trustees upon the issuance of any such bonds, to establish by resolution from time to time the fees or charges to be made for the use of any such building or buildings, which fees or charges shall be adjusted from time to time in order to always provide sufficient income for maintenance and operation and payment of the principal of and interest on such bonds issued as provided for in this Act.

**48.6 Other powers not limited or restricted.]** § 6. Nothing herein contained shall be construed as a limitation upon or restriction of the powers of the Board of Trustees of the University of Illinois under any law which is now in force, or which may hereafter be enacted.

**48.6½ Investment, in revenue bonds issued under act, of sinking, insurance, retirement, compensation, pension and trust funds.]** § 6½. The State and all counties, cities, villages, incorporated towns and other municipal corporations, political subdivisions and public bodies, and public officers of any thereof, all banks, bankers, trust companies, saving banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any revenue bonds issued pursuant to this Act, it being the purpose of this section to authorize the investment in such revenue bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers. Added by act approved June 21, 1951. L. 1951, p.—, S.B. No. 565.

**48.7 Partial invalidity.]** § 7. If any clause, sentence or provision in this Act shall be declared invalid, such invalidity shall not affect any other clause, sentence or provision of this Act, it being the intention of the General Assembly to enact such other clause, sentence or provision in any event.



# APPENDIX B

## UNIVERSITY OF ILLINOIS RESIDENCE HALLS BONDS

### SERIES OF 1952 Amortization Schedule at 3% Interest

Maturity Date	Remaining Principal	Principal Payments	Interest Payment at 3 %	Total Payment	Available for Debt Service	Cumulative Surplus
September 1, 1952	\$1,750,000	\$ . . . . .	\$26,250	\$26,250		
March 1, 1953	1,750,000	. . . . .	26,250	26,250		
September 1, 1953	1,750,000	. . . . .	26,250	26,250	\$104,000	\$ 25,250
March 1, 1954	1,750,000	20,000	26,250	26,250		
September 1, 1954	1,730,000	20,000	25,950	46,250		
March 1, 1955	1,710,000	20,000	25,650	45,950	116,000	49,050
September 1, 1955	1,690,000	20,000	25,350	45,650		
March 1, 1956	1,670,000	20,000	25,050	45,350	116,000	74,050
September 1, 1956	1,650,000	20,000	24,750	45,050		
March 1, 1957	1,630,000	20,000	24,450	44,750	116,000	100,250
September 1, 1957	1,610,000	20,000	24,150	44,450		
March 1, 1958	1,590,000	20,000	23,850	44,150	116,000	127,650
September 1, 1958	1,570,000	20,000	23,550	43,850		
March 1, 1959	1,550,000	25,000	23,250	43,550	116,000	156,250
September 1, 1959	1,525,000	25,000	22,875	48,250		
March 1, 1960	1,500,000	25,000	22,500	47,875	116,000	176,125
September 1, 1960	1,475,000	25,000	22,125	47,500		
March 1, 1961	1,450,000	25,000	21,750	47,125	116,000	197,500
September 1, 1961	1,425,000	25,000	21,375	46,750		
March 1, 1962	1,400,000	25,000	21,000	46,375	116,000	220,375
September 1, 1962	1,375,000	25,000	20,625	46,000		
March 1, 1963	1,350,000	25,000	20,250	45,625	116,000	244,750
September 1, 1963	1,325,000	25,000	19,875	45,250		
March 1, 1964	1,300,000	25,000	19,500	44,875	116,000	270,625
September 1, 1964	1,275,000	25,000	19,125	44,500		
March 1, 1965	1,250,000	25,000	18,750	44,125	116,000	298,000
September 1, 1965	1,225,000	25,000	18,375	43,750		
March 1, 1966	1,200,000	30,000	18,000	43,375	116,000	326,875
September 1, 1966	1,170,000	30,000	17,550	48,000		
March 1, 1967	1,140,000	30,000	17,100	47,550	116,000	347,325
September 1, 1967	1,110,000	30,000	16,650	47,100		
March 1, 1968	1,080,000	30,000	16,200	46,650	116,000	369,575
September 1, 1968	1,050,000	30,000	15,750	46,200		
March 1, 1969	1,020,000	30,000	15,300	45,750	116,000	393,625
September 1, 1969	990,000	30,000	14,850	45,300		
March 1, 1970	960,000	30,000	14,400	44,850	116,000	419,475
September 1, 1970	930,000	30,000	13,950	44,400		
March 1, 1971	900,000	30,000	13,500	43,950	116,000	447,125
September 1, 1971	870,000	35,000	13,050	43,500		
March 1, 1972	835,000	35,000	12,525	48,050	116,000	471,575
September 1, 1972	800,000	35,000	12,000	47,525		
March 1, 1973	765,000	35,000	11,475	47,000	116,000	493,050
September 1, 1973	730,000	35,000	10,950	46,475		
March 1, 1974	695,000	35,000	10,425	45,950	116,000	516,625
September 1, 1974	660,000	35,000	9,900	45,425		
March 1, 1975	625,000	35,000	9,375	44,900	116,000	542,300
September 1, 1975	590,000	35,000	8,850	44,375		
March 1, 1976	555,000	35,000	8,325	43,850	116,000	570,075
September 1, 1976	520,000	40,000	7,800	43,325		
March 1, 1977	480,000	40,000	7,200	47,800	116,000	594,950
September 1, 1977	440,000	40,000	6,600	47,200		
March 1, 1978	400,000	40,000	6,000	46,600	116,000	617,150
September 1, 1978	360,000	40,000	5,400	46,000		
March 1, 1979	320,000	40,000	4,800	45,400	116,000	641,750
September 1, 1979	280,000	40,000	4,200	44,800		
March 1, 1980	240,000	40,000	3,600	44,200	116,000	668,750
September 1, 1980	200,000	45,000	3,000	43,600		
March 1, 1981	155,000	45,000	2,325	48,000	116,000	693,150
September 1, 1981	110,000	45,000	1,650	47,325		
March 1, 1982	65,000	65,000	975	46,650	58,000	715,175
				65,975		707,200
TOTAL		\$1,750,000	\$952,800	\$2,702,800	\$3,410,000	



## UNIVERSITY OF ILLINOIS

## BUSEY-EVANS HALLS AND MEN'S RESIDENCE

INCOME	BUSEY-EVANS HALLS	
	Food Service <sup>1</sup>	Housing
Room and Board Contracts <sup>1</sup>	\$196,533	\$121,758
Less Vacancy Loss <sup>2</sup>	14,013	8,935
Net Rental Income	182,520	112,823
Other Income (Conferences, guest sales, etc.)	24,243	5,867
Total Income	206,763	118,690
EXPENSE		
Operations		
Salaries and Wages	89,216	33,124
Raw Food Costs	86,997	.....
Supplies	4,900	4,600
Utilities	2,689	15,104
Laundry	4,048	3,312
Insurance	10	525
Miscellaneous General	350	1,520
Total Operations	(188,210)	(58,185)
Administration and Student Services	6,469	16,356
Reserves		
Furniture and Fixture Repair	1,397	3,008
Building Maintenance	1,554	8,280
Accident Compensation	283	154
Total Reserves	(3,234)	(11,442)
Total Expense	197,913	85,983
Operating Income Before Debt Service	8,850	32,707

<sup>1</sup> CONTRACT RATE SCHEDULE

	BUSEY-EVANS HALLS		MEN'S HALLS
	Academic Year	Summer Session	Academic Year
Food Service	359 @ \$433.20	359 @ \$114.25	1,100 @ \$433.20
Housing			
Single	37 @ \$333.80	37 @ \$ 92.15	60 @ \$333.80
Large Double	144 @ \$280.80	144 @ \$ 80.43	242 @ \$280.80
Small Double	148 @ \$238.80	148 @ \$ 69.02	136 @ \$238.80
Triple	30 @ \$217.80	30 @ \$ 63.00	60 @ \$217.80
Quadruple			8 @ \$217.80
Dormitory			383 @ \$141.80



# BUDGET OF OPERATIONS

**HALLS** (Including Additions No. 1 and No. 2)

	<b>MEN'S HALLS</b>			<b>TOTAL ALL HALLS</b>
Total	Food Service <sup>1</sup>	Housing	Total	
\$318,291	\$476,520	\$189,861	\$666,381	\$984,672
22,948	19,061	7,594	26,655	49,603
295,343	457,459	182,267	639,726	935,069
30,110	17,329	14,901	32,230	62,340
325,453	474,788	197,168	671,956	997,409
122,340	145,016	71,339	216,355	338,695
86,997	222,317	.....	222,317	309,314
9,500	12,750	6,850	19,600	29,100
17,793	8,968	30,464	39,432	57,225
7,360	4,636	4,791	9,427	16,787
535	593	1,471	2,064	2,599
1,870	1,908	3,530	5,438	7,308
(246,395)	(396,188)	(118,445)	(514,633)	(761,028)
22,825	17,426	27,303	44,729	67,554
4,405	7,975	8,018	15,993	20,398
9,834	3,173	18,096	21,269	31,103
437	507	333	840	1,277
(14,676)	(11,655)	(26,447)	(38,102)	(52,778)
283,896	425,269	172,195	597,464	881,360
41,557	49,519	24,973	74,492	116,049

<sup>1</sup> Vacancy loss is estimated as follows:

## BUSEY-EVANS HALLS

4% of gross income  
academic year

19% of gross income  
summer session

## MEN'S HALLS

4% of gross income  
academic year

<sup>1</sup> Food Service in Men's Residence Halls is cafeteria style, while in Busey-Evans Halls waiter service is used. This, plus more efficient facilities, accounts for more favorable operating results in Men's Residence Halls.



# UNIVERSITY OF ILLINOIS Combined Statement of Income and Expense

## BUSEY-EVANS and MEN'S RESIDENCE HALLS

for the Fiscal Year Ending June 30

	1946	1947	1948	1949	1950	1951
<b>TOTAL INCOME</b>	<u>\$396,961</u>	<u>\$592,345</u>	<u>\$630,216</u>	<u>\$627,976</u>	<u>\$617,959</u>	<u>\$629,380</u>
<b>EXPENSES</b>						
Operation						
Salaries and Wages	123,004	163,860	197,041	198,971	214,343	225,754
Raw Food Costs	118,497	180,612	174,968	170,132	167,656	172,941
Supplies	9,671	17,902	31,027	28,576	16,545	18,439
Utilities	20,714	25,247	27,758	34,871	33,064	36,910
Laundry	3,774	6,747	9,947	9,677	13,174	12,160
Insurance	623	704	888	1,244	1,454	1,404
Miscellaneous General	2,722	2,532	2,490	2,918	4,048	4,680
Total Operations	(279,005)	(397,604)	(444,119)	(446,389)	(450,284)	(472,288)
Administration & Student Services	16,659	43,150	45,242	48,949	48,936	44,523
Reserves						
Furn. & Fixture Repair	5,419	8,930	8,930	12,247	11,604	12,543
Building Maintenance	22,234	22,250	22,250	22,250	22,250	22,250
Accident Compensation	1,803	2,969	4,075	3,948	5,252	1,160
Total Reserves	(29,456)	(34,149)	(35,255)	(38,445)	(39,106)	(35,953)
Current Income Invested in Fixed Assets	89	2,820	3,182	4,132	9,001	2,628
Total Expense	<u>325,209</u>	<u>477,723</u>	<u>527,798</u>	<u>537,915</u>	<u>547,327</u>	<u>555,392</u>
Operating Income Before Debt Service	<u>\$ 71,752</u>	<u>\$114,622<sup>1</sup></u>	<u>\$102,418<sup>1</sup></u>	<u>\$ 90,061<sup>1</sup></u>	<u>\$ 70,632</u>	<u>\$ 73,988</u>

<sup>1</sup> Includes occupancy of both Men's Residence Halls and Busey-Evans Halls during the summer session because of high enrollment. Ordinarily only Busey-Evans Halls are occupied during the summer.



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