



SURA Residence Facility

Introduction. In the late 1980's, SURA in partnership with the City of Newport News, constructed a guest house, the SURA Residence Facility, on its property adjacent to the Jefferson Lab campus. The Residence Facility was comprised of a core building (main office, lobby area, kitchen, dining area, great room area) and seven housing buildings of four living units each for a total of 28 rooms. In response to the urging of the Lab users to address the adequacy of affordable housing for the Lab community, in 1996 SURA completed the Residence Facility expansion adding four housing buildings – 14 additional rooms and an exercise room. The \$1.3 Million SURA Residence Facility (now estimated at roughly \$2 Million replacement costs) offers scientists and researchers affordable lodging while they conduct their research at the Lab. In addition to the furnishings for the guest rooms provided by SURA and many of its university members, SURA also has made major renovations to the common areas in its continuing effort to support the user community.

Operations. SURA manages and operates the Residence Facility with a staff of 5 FTE's (manager, front office manager, maintenance technician, two hospitality associates) and additional seasonal staff to meet user demands. It is SURA's objective to manage this operation on a break-even basis, keeping its rates affordable yet competitive with the local economy. However, in order to maintain these affordable rates, SURA has historically subsidized the operations and has foregone its overhead rate (currently 45.9%) for the Residence Facility. Beginning FY2009, pending Board approval, SURA will implement a six-year upgrade and renovation program that will average ~\$65K per year (2008 dollars). This program is management's recommendation as a result of a reserve study requested by the Board and conducted by SURA in 2008. In addition to the six-year program, SURA will maintain an effective preventive maintenance program which will continue to extend the useful life of many of the infrastructure components.

Revenues, Expenses, Occupancy. The FY2008 occupancy rate was 66%, compared to the FY2007 rate of 67%. Hotel rate data is published annually at calendar year end; however, a Smith Travel Research report noted that there had been a 6% drop in hotel occupancy rates in Virginia in June as compared to the prior year. The industry report also noted that in the Hampton Roads region, occupancy rate drops of 10% - 19% were indicated through June. It is noteworthy that the Residence Facility was able to maintain such a favorable occupancy rate given the budget constraints at the Lab which resulted in less user runtime and need for housing. The Facility currently offers a three-tier rate structure, with the average daily rate during this period of \$46.64. Preliminary FY2008 financial results: Revenues \$470K; Expenditures \$420K. A reserve study completed during the fiscal year and management's analysis and recommendation will be considered by the JSA Programs Committee. An annual room rate review was conducted and a proposal for rate adjustment will be considered by the JSA Programs Committee.

Staff. The Residence Facility is managed by SURA's Office of Strategic Services. The Residence Facility team members on-site are:

Rose Durham, Facility Manager
Melissa Hicks, Front Desk Manager
Michael Webb, Maintenance Technician
Cynthia Crawford, Hospitality Associate
Linda Brown, Hospitality Associate