

**PUBLIC UNIVERSITY
NONINSTRUCTIONAL CAPITAL PROJECT APPROVAL**

Submitted for: Action.

Summary: This item recommends approval of the following public university noninstructional capital projects:

Southern Illinois University at Carbondale
Property Acquisition and Remodeling,
Springfield, IL \$ 288,000

Chicago State University
Property Acquisition
Chicago, IL \$ 275,000

Action Requested: That the Illinois Board of Higher Education approve the noninstructional capital projects described in this item.

STATE OF ILLINOIS
ILLINOIS BOARD OF HIGHER EDUCATION

**PUBLIC UNIVERSITY
NONINSTRUCTIONAL CAPITAL PROJECT APPROVAL**

The Board of Trustees of Southern Illinois University and The Board of Trustees of Chicago State University request IBHE approval for the following noninstructional capital projects. These projects, and their associated financing plans, have been reviewed and approved by each institution's Board of Trustees.

<u>Institution/Project</u>	<u>Total Estimated Cost</u>
Southern Illinois University at Carbondale	
Property Acquisition, Springfield, IL	\$ 250,500
Property Remodeling and Rehabilitation	<u>37,500</u>
SIU Total	\$ 288,000
Chicago State University	
Property Acquisition, Chicago, IL	<u>\$ 275,000</u>
CSU Total	\$ 275,000

Southern Illinois University at Carbondale

Property Acquisition - The SIU-School of Medicine plans to acquire and make improvements to the property at 335 West Carpenter Street in Springfield, Illinois to facilitate future campus development. The property includes a two-story brick structure built in 1979 that will be used by the Department of Psychiatry for staff office space and client service space. The University's Board of Trustees approved the purchase at its January 11, 2007 meeting. The option to purchase the property has been extended from January 30, 2007 to March 31, 2007.

The property measures 6,280 square feet and was appraised at \$172,000 in 1979. The two-story brick building measures 2,688 square feet, features a full basement, and is in good condition. The current property owner operates a private business on the premises and has agreed to sell the property for \$250,000. While the price exceeds the appraised value, the University believes the cost of legal action to obtain the property through eminent domain would far exceed the \$78,000 appraisal value-price differential. In addition, the purchase price is consistent with recent property purchases in the medical district area. Transaction closing costs are expected to be \$500.

The University also plans to make \$37,500 in improvements to the property in order for the Department of Psychiatry to use the property for staff offices and client service space for the Community Support Network (CSN), which provides comprehensive psychiatric services to individuals with severe and persistent mental illness. The improvements include wall partitions, a fire alarm system and accessibility improvements. The CSN will utilize grant funding and earned income to cover rental expenses and the estimated \$16,200 annual operations and maintenance

costs. The space vacated by CSN at 901 West Jefferson will be used by the Department of Psychiatry for a new Child Psychiatry Fellowship, and no renovations are planned for that space.

The SIU School of Medicine will use non-appropriated institutional funds for this project, including the purchase of the property, as well as the planned improvements. There is no student fee or tuition revenue associated with the funding of this project.

Chicago State University

Property Acquisition - Chicago State University plans to acquire 13 vacant lots between the 9700 and 9800 blocks of Maryland and Cottage Grove Avenue in Chicago, Illinois to provide parking for the new Convocation Center, the campus community in general, and commuters. The University's Board of Trustees approved the purchase by resolution at its October 11, 2006 meeting. The acquisition of this property will provide the University with expanded parking areas to meet space needs due to the new Convocation Center and the new campus transit center, which will combine the Metra train station and the CTA bus turn around.

The property consists of 13 vacant lots at the 9700 and 9800 blocks of Maryland and Cottage Grove Avenue. The property measures 41,510 square feet and was appraised at \$250,000. The purchase price is \$275,000. At this time, property improvements are expected to be minimal. Chicago State University will utilize locally-held, non-appropriated institutional funds for the purchase of this property. There is no student fee or tuition revenue associated with the funding of this project.

Recommendation

Staff has reviewed these projects and found them to be in accordance with *Noninstructional Capital Project Guidelines*, approved by the Illinois Board of Higher Education in August 2002, and administrative rules. These projects are consistent with the mission and scope of the institutions; provide needed additional, replacement, or more efficiently utilized space; and are economically feasible, as required by administrative rules.

The staff recommends adoption of the following resolution:

The Illinois Board of Higher Education hereby approves the noninstructional capital projects included in this item.