

**PUBLIC UNIVERSITY
NONINSTRUCTIONAL CAPITAL PROJECT APPROVAL**

Submitted for: Action.

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

Southern Illinois University Carbondale

Football Stadium Construction,
SIU Arena Renovation and Addition \$ 83,000,000

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

STATE OF ILLINOIS
ILLINOIS BOARD OF HIGHER EDUCATION

**PUBLIC UNIVERSITY
NONINSTRUCTIONAL CAPITAL PROJECT APPROVAL**

On September 11, 2008, the Southern Illinois University Board of Trustees approved an \$83.0 million project to construct a new football stadium and to renovate and construct an addition to the SIU Arena. Revenues from the sale of bonds will be used to fund the project, and SIUC Student Intercollegiate Athletic Fees, private donations, Saluki Athletics revenues, and funds from the City of Carbondale will be used to make the debt service payments. This construction and renovation project is the Athletics Facilities portion of the Saluki Way Plan, which is a component of the 2006 Campus Master Plan.

<u>Institution/Project</u>	<u>Total Estimated Cost</u>
Southern Illinois University Carbondale: 1) Football Stadium Construction, SIU Arena Renovation and Addition	\$ 83,000,000

1) Football Stadium, SIU Arena Renovation and Addition

Project Scope

Football Stadium Construction:

Southern Illinois University Carbondale plans to construct a new football stadium to replace McAndrew Stadium. Originally constructed in 1939, the stadium is in poor condition. The last major stadium renovations occurred in 1975 when the east side bleachers were replaced and the concessions and restroom areas were renovated. In recent years, the track (2001) and artificial playing surface (2002) have been replaced. The new stadium will be constructed on the east side of the SIU Arena and will consist of the construction of a 'U' shaped stadium with a seating capacity of approximately 15,000, compared to the current seating capacity of 17,000. While the new stadium represents a reduction in total seating, the new stadium will consist of tiered seating, concessions, restrooms and ample storage throughout, as well as west-side suites, club areas, and viewing areas for coaches and media. The size of the new stadium is approximately 37,176 gross square feet, not including the playing surface or stadium bleachers. Parking for the new facility will be provided by the spaces currently available in the existing parking lots surrounding the area. The construction of the stadium will begin in early 2009 and will be completed in the fall of 2010. Additional components of the project plan include relocating student recreation fields, refurbishing old tennis courts, and demolishing McAndrew Stadium.

SIU Arena - Renovation and Addition:

The SIU Arena at Southern Illinois University Carbondale was constructed in 1962-64. The last renovation of the 9,409 seat arena was completed in 1996 and included the replacement of the court. The new renovation project will increase the gross square footage by 32,495 square feet, but will result in the loss of approximately 900 seats. The renovations will include the installation of new seating throughout the lower and upper areas, improved accessibility and entrances to meet the Americans with Disabilities Act requirements, middle hand rails in all aisles, and a number of aesthetics improvements to the concession and restroom areas on the upper areas of the Arena, and a new scoreboard. The renovations will also add new space to the east and west concourses for restrooms, an elevator, and increased storage and service areas.

The addition to the SIU Arena will consist of a 51,485 gross square foot addition constructed on the northeast side of the Arena. The new area will include a new entrance and added space for team facilities, an auditorium, mechanical areas, office space, merchandise space, a ticket office, new training and equipment room, new locker rooms, and video rooms. The existing spaces currently used by the Athletic Department for these purposes will be easily adapted for other uses by the Athletic Department. The renovation and expansion of the SIU Arena will be in accordance with Campus Design Guidelines and the 2006 Campus Master Plan. The Arena renovation and addition construction will begin in early 2009 and will be completed by the end of 2010.

Project Cost & Financing

The total cost of constructing a new stadium, and renovating and constructing an addition to the SIU Arena is estimated to be \$83.0 million. This includes \$68.1 million in construction costs and nearly \$15.0 million for construction contingency costs, architect and engineering (A&E) fees, construction administration costs, and art in architecture costs. The construction costs include \$24.8 million for the new football stadium, \$22.2 million for the Arena renovation, \$13.0 million for the Arena addition, \$7.0 million for general conditions and construction manager (CM) fees, and \$1.1 million for recreation field relocation costs. These construction costs include \$1.0 million for new scoreboards for the new football stadium and the Arena. Construction costs for the new football stadium average \$1,650 per seat. The Arena renovation cost averages \$157 per square foot and the Arena addition average cost is \$250 per square foot. The detailed project cost estimates were provided to the University on September 4, 2008 by John Eyler, Principal, 360 Architects, Kansas City, Missouri.

Funding for this project will be provided through \$5.0 million in pledges and donations and \$78.0 million financed and secured through two revenue bond issuances. In March 2009, the University plans to issue \$65.0 million in debt at 5.75 percent for 21 years, resulting in an average \$5.3 million annual debt service. In March 2010, the University plans to issue \$13.0 million in debt at 5.75 percent for 20 years, resulting in an average \$1.1 million annual debt service. Overall, the University estimates that the annual debt service, repair and replacement reserve requirements, and annual operations and maintenance expenses for the new stadium and SIU Arena will total approximately \$8.0 million. The University plans to pay these annual expenses using revenues from multiple sources. As indicated in Chart 1, the project plan calls for approximately 50 percent of these expenses, \$4.2 million annually, to be paid from student fee revenue. The remaining 50 percent will come from multiple sources. Effective January 2008, the City of Carbondale enacted a sales tax increase and has pledged a portion of the sales tax revenue, \$1.0 million for 20 years, to support the Saluki Way Plan. Revenues from private donations, facility user fees and interest income will also be used to support the facility. In addition to these

revenue sources, the University hopes to generate additional revenue from pledges and donations from identified donor prospects.

Chart 1

<u>Annual Revenue Estimates</u>	
SIUC Student Intercollegiate Athletic Fees	\$4.25 million
City of Carbondale sales tax revenues	\$1.00 million
Private donations	\$1.12 million
Facility user fees	\$1.55 million
Interest income	<u>\$0.35 million</u>
Total	\$8.27 million

Project Schedule

The construction and renovation work on the stadium and Arena will be scheduled as a two-year project beginning in March 2009 with a scheduled completion date of October 2010.

September 2008	SIU Board of Trustees Project Approval
December 2008	IBHE Consideration/Approval
March 2009	Issue Debt #1 (\$65.0 million), award contracts, begin construction and renovation work
March 2010	Issue Debt #2 (\$13.0 million), award contracts
September 2010	Complete Football Stadium
October 2010	Complete SIU Arena

Constituency Input

The Saluki Way Plan has been widely discussed with a variety of student and staff constituency groups. In 2006, the SIU Board of Trustees approved a four-year plan to dedicate a portion of the Athletic Fee to support the construction of the new football stadium and the renovation and addition to the SIU Arena. The plan called for a \$44 per semester fee to be charged initially and for a \$44 increase each year from FY2007 through FY2010. It has been determined, however, that only three of the four increases are needed to fund this project. The facilities and operations portions of the Athletic Fee are shown in Chart 2.

Chart 2
SIUC Athletic Fees per Semester for Facilities and Operations
FY2006 – FY2010 projected

	<u>Facilities</u>	<u>Operations</u>	<u>Total</u>	<u>% Facilities</u>
FY2006	\$ 0	\$113	\$113	0.0 %
FY2007	\$ 44	\$123	\$167	26.3 %
FY2008	\$ 88	\$133	\$221	39.8 %
FY2009	\$132	\$143	\$275	48.0 %
FY2010p	\$132	\$153	\$285	46.3 %

The athletic fee funding components have been approved by the Intercollegiate Athletic Advisory Committee, composed of SIUC faculty, staff and students, and Undergraduate Student Government. As mentioned, the project has also received support from the City of Carbondale.

Recommendation

Staff has reviewed this project and found it to be in accordance with the Board's *Noninstructional Capital Project Guidelines*, approved by the Illinois Board of Higher Education in August 2002, and administrative rules. The project is consistent with the mission and scope of the institution; provides needed additional, replacement, or more efficiently utilized space; and is 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.