

APPROVED
APRIL 1, 2014

Item #IV-12
April 1, 2014

**PUBLIC UNIVERSITY
NON-INSTRUCTIONAL CAPITAL PROJECT APPROVAL**

Submitted for: Action.

Summary: This item recommends approval of the following public university non-instructional capital projects:

Southern Illinois University Edwardsville
Student Fitness Center Weight Room Expansion &
Vadalabene Center Entrance Renovation \$ 2,600,000

University of Illinois at Springfield
Student Union Building Construction \$ 21,750,000

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

STATE OF ILLINOIS
ILLINOIS BOARD OF HIGHER EDUCATION

**PUBLIC UNIVERSITY
NON-INSTRUCTIONAL CAPITAL PROJECT APPROVAL**

Southern Illinois University and the University of Illinois are seeking Illinois Board of Higher Education approval of the projects presented in this item in order to proceed. This item provides details regarding the projects' scope, cost and funding source, campus input, and schedule.

<u>Institution/Project</u>	<u>Total Estimated Cost</u>
1.) Southern Illinois University Edwardsville: Student Fitness Center Weight Room Expansion & Vadalabene Center Entrance Renovation	\$ 2,600,000
2.) University of Illinois at Springfield: Student Union Building Construction	\$ 21,750,000

1) Southern Illinois University Edwardsville

Student Fitness Center Weight Room Expansion & Vadalabene Center Entrance Renovation

Project Background & Scope

Southern Illinois University (SIU) is seeking IBHE approval for a non-instructional capital project that involves expansion of the Student Fitness Center Weight Room and renovation of the Vadalabene Center entrance on the Edwardsville campus. On December 13, 2012, the SIU Board of Trustees approved planning to look at designs and costs to construct an addition to the Free Weight Room in the Student Fitness Center. The University retained AAIC Architects, Collinsville, IL, as architects to consider student input and to advise and design the proposed project. The resulting proposed project will expand the Free Weight Room by approximately 5,215 square feet on the Southeast side of the existing Student Fitness Center where it connects to the Vadalabene Center. The expansion will include additional space for the free-weight lifting stations that will include higher ceiling height, additional storage, and supplemental mechanical space. The facility will be constructed of a rigid steel frame enclosed with a metal stud wall with brick veneer that will help ensure energy efficiency, cost efficiency, longevity, and an aesthetic that matches the campus design standards. The project will also

require rebuilding the south entrance of the adjoining Vadalabene Center where the Student Fitness Center connects to the Vadalabene Center.

On February 13, 2014, the SIU Board of Trustees approved the Student Fitness Center Weight Room Expansion and Vadalabene Center Entrance Renovation and accompanying \$2.6 million budget. The University is seeking approval from the Illinois Board of Higher Education at its April 1, 2014, meeting.

Project Rationale

The number of students who use the Free Weight Room has increased 24.3 percent since 2009. In recent years, the Free Weight Room has been the focus on a number of student surveys and focus groups. In Fiscal Year 2011, Campus Recreation participated in a standardized national benchmark study conducted by Student Voice, and endorsed by the NIRSA (National Intramural-Recreational Sports Association). Among the findings from the benchmark study, three specific questions directly support expansion of the Free Weight Room.

- 1) Students were asked to indicate their agreement with the following: The Student Fitness Center at SIUE needs more...- Free Weight Room space
 - *75.56 percent Agree or Somewhat Agree*
- 2) Students were asked to indicate their thoughts for improving the current Free Weight Room: Which of the following would encourage you to use the Free Weight Room more at SIUE?
 - *25.99 percent More Space*
- 3) If you were improving/expanding recreational facilities, which of the following would be important to you?
 - *Of 19 different options to choose from and 759 responses, 9.49 percent chose additional strength equipment (weights). This was the second highest response behind cardio equipment.*

In spring 2011, a survey was conducted specifically of Free Weight Room users in an effort to determine student interests and needs. With 137 respondents, the survey attempted to avoid direct implications for the possibility of expanding the space. Students were asked “If you were to improve the Free Weight Room, what would you do?” *Of the responses, 32 students (21 percent) stated that we need more space and/or equipment.* Additionally, when asked to respond to the statement “There is enough room in the Free Weights Room,” *84 students (62 percent) Somewhat or Strongly Disagreed.* In addition, a focus group meeting was held on March 2, 2011, with student users of the free weight room. The comments from the focus group touched on five areas that prompted extensive discussion and support the proposal for expansion. These five areas of concern and discussion were as follows:

- 1) Space – There was universal agreement that the area is crowded and there is a need for more space.
- 2) Social Environment – It was stated that there is a level of intimidation when entering the Free Weight Room, more specifically for females and users who are unfamiliar with weight lifting in general.

- 3) Amount of Equipment – The amount of equipment seemed to fall hand in hand with the amount of space available.
- 4) Ability to Circulate in the Room – The ability to move around the weight room was of concern, as was the organization and the space available.
- 5) Ceiling Height – The clearance height of this room needs to be a minimum of 9ft; areas of the current weight room have a lower than desirable ceiling height due to HVAC soffits and indirect lights.

This project promotes the non-instructional objectives of Southern Illinois University as well as the goals of *The Illinois Public Agenda for College and Career Success*. The quality of student life, health and fitness opportunities plays an important role in recruiting and retaining students and enhancing the student college experience.

Project Cost & Financing

The total estimated cost for expansion of the Student Fitness Center weight room and Vadalabene Center entrance renovation is \$2,600,000. The estimated costs include \$75,000 for new weight room equipment to be installed in the new space. In addition, existing equipment will be moved into the new space to reduce crowding. Also included is the cost to relocate an existing in-ground sculpture and move existing buried utilities. The approximate construction costs per square foot is \$400, an amount University officials believe is within the industry standards for new construction attached to an existing structure. The estimated costs for construction; furniture, fixtures, and equipment (FF&E); architecture and engineering (A&E) fees; and contingencies are shown in Table 1.

Table 1
Student Fitness Center Weight Room Expansion and
Vadalabene Center Entrance Renovations
Estimated Project Costs

Construction (includes 15% design contingency)	\$ 2,001,000
FF&E	75,000
A&E Fees	170,000
A&E Reimbursables	5,100
On-Site Observation	65,000
Construction Contingency	200,100
<u>Other</u>	<u>83,000</u>
Total	\$ 2,600,000

Funding for the project will come from \$1.2 million from Student Fitness Center Non-Instructional Facilities Reserve Account funds and \$1.4 million from the sale of revenue bonds to be re-paid from Student Fitness Center Fee revenues. The annual debt service costs of financing \$1.4 million for 25 years at 5.5 percent will total approximately \$106,456 per year. The estimated \$52,650 increase in annual operating and maintenance (O&M) costs to support the addition will be paid from Student Fitness Center operations.

The project is based on an increase in student fees to support annual inflationary operating costs and the re-payment of the revenue bonds. The University was able to delay some planned repair and maintenance projects such that the student fee increase for Fiscal Year 2015 – Fiscal Year 2018 is about 3.0 percent, which is less than the 5.0 percent increase deemed needed to cover typical annual operating cost increases. The fee increase is expected to be considered for approval at the April 10, 2014, SIU Board of Trustees meeting. A summary of the Student Fitness Center Fee projections are shown in Table 2.

Table 2
Student Fitness Center Fee Projections

	FY 13 Actual	FY 14 Projected	FY 15 Plan	FY 16 Plan	FY 17 Plan	FY 18 Plan
Fee Rate per Semester	\$81.75	\$84.20	\$86.70	\$89.35	\$92.10	\$95.00
Percent Change	+2.4%	+3.0%	+3.0%	+3.1%	+3.1%	+3.1%

Constituency Input/Decision-Making

The Design Team that studied the needs of the students using the weight room was comprised of staff members from the Student Fitness Center, Facilities Management, Information Technology, Emergency Management and Safety, and the Vice Chancellor for Administration Office. Prior to the design initiative, student surveys were conducted in 2009, 2010, and 2011. The Campus Recreation Advisory Committee comprised of students, faculty, staff and alumni also provided input. On February 13, 2014, the SIU Trustees unanimously approved the project and the \$2.6 million budget.

Project Schedule

The construction phase of the project will begin in January 2015 with an expected completion date in September 2015.

February 13, 2014	SIU Board of Trustees Approval
April 1, 2014	IBHE Consideration
October 1, 2014	Design & Construction Documents Completion
October 15, 2014	Bidding Phase
December 11, 2014	BOT Award Contracts
January 2015 – September 2015	Construction

2) University of Illinois at Springfield

Student Union Construction

Project Background & Scope

The University of Illinois is seeking IBHE approval to proceed with a non-instructional capital project at the University of Illinois at Springfield (UIS) campus. The project submitted for consideration is the construction of a new Student Union. This proposed two-story, 50,000 square foot building will be located at the south end of the campus quadrangle next to University Hall in accordance with the Campus Master Plan. The proposed Student Union will house a Student Leadership Center, campus food service, entertaining and event venues, open lounge space, a convenience store/spirit shop, coffee shop, and a variety of teaming, collaboration, and meeting spaces. The bulk of the space for the facility will fall under the lounge/dining classification. The project is being designed to achieve LEED Gold certification.

In May 2013, the Chancellor, University of Illinois at Springfield, and Vice President, University of Illinois approved proceeding with the programming, conceptualization, and schematic design phase of the proposed Student Union. Since then, the University and the approved Professional Services Consultant, Dewberry Architects, Inc. of Peoria, have engaged the stakeholders, developed program information, completed the programming, conceptualization, and schematic design efforts, and developed a consensus for implementing near-term and long-range goals for the Student Union project. On January 23, 2014, the University of Illinois Board of Trustees approved construction of the Student Union and a \$21.75 million budget. The University is seeking approval from the IBHE at its April 1, 2014 meeting.

Project Rationale

The University of Illinois at Springfield is planning to construct its first Student Union. Originally founded as Sangamon State University in 1969, the campus historically served upper division undergraduates and masters students. Following its integration into the University of Illinois in 1995, the school has grown and the culture has shifted towards a more traditional four-year model. Given the continued evolution of the campus, UIS lacks a critical component of campus life that is so prominent at other higher education institutions: a Student Union. The new building will be the social heart of the campus for students with programming designed so that students can interact and collaborate with each other and come together in the “true sense of a campus community.”

This project promotes the non-instructional objectives of the University of Illinois as well as the goals of the *Public Agenda*. The Student Union at UIS will create a more vibrant campus life for students – and for faculty and staff. With so much to offer students, the Student Union will propel enrollment growth, and by drawing all of the campus into a closer community, it will keep students at UIS until they finish their degree helping to meet the goals of the *Public Agenda* and 60x25 completion goals.

Project Cost & Financing

The total estimated cost for construction of the Student Union is \$21,750,000. The project will be financed through debt financing and institutional funds. The estimated costs for construction; furniture, fixtures, and equipment; and professional services are shown in Table 1.

Table 1
Student Union
Estimated Project Costs

Construction	\$ 18,410,000
FF&E	650,000
Owners Cost	1,146,800
<u>Professional Services</u>	<u>1,543,200</u>
Total	\$ 21,750,000

Funds for the project are available from institutional funds operating budget of the UIS campus with reimbursement from the proceeds of a future sale of Auxiliary Facility System revenue bonds and gift funds. At this point, the University anticipates issuing \$13,173,000 in bonds and funding the remaining project costs with gift and institutional funds. The campus is actively pursuing gift opportunities at this time. The University anticipates a 30-year bond issuance with an estimated interest at 5.5 percent. Based on these estimates, annual debt service payments would total \$932,800.

The project relies on revenue from a new student fee dedicated for the Student Union. The new student fee increase, approved by a student referendum, will be \$200 per semester. Part-time undergraduates will pay \$100 per semester and graduate students will pay \$25 per credit hour up to eight hours. Student enrolled in an online degree-seeking program will not pay any student union fee. The student fee portion of the funding plan was passed by a student vote in April 2012, with an 80 percent approval rating (Y-432; N-109). The vote was conducted online. This fee does not take effect until after the building's completion slated for fall 2016. As such, the University of Illinois Board of Trustees will not take official action on the new fee until a later date. A similar student fee referendum, rejected by a 3 to 1 margin in 2010, would have implemented the student fee two years before the Student Union was scheduled for completion.

Total operations and maintenance costs are estimated at \$898,000 to be partially paid through the new student fee revenues. The remaining costs will be paid through operation and rental revenue opportunities that are still being evaluated.

Constituency Input/Decision-Making

Planning and programming for this facility has been in the works for several years. At that time several student forums were held prior to the student referendum on the Student Union. Several student groups were represented in early discussions and as part of the feasibility study groups. These groups including the Black Student Union, Student Trustee, Student Life, Student Government, and Undergraduate Students were in on the ground floor and were instrumental in rolling the concept to the broader student community in late calendar year 2011 and early 2012. In early calendar year 2012, prior to the April vote, more than 800 students, or about 16 percent of the student body, responded to a survey taken by an outside research firm to receive input on

the building. In addition, student forums and a social media presence were launched to inform the student body of the upcoming vote and solicit further student input. Of the 541 students who voted, the referendum received over whelming support to implement a student fee dedicated for the union. Since that time planning and focus groups including students have been meeting to contribute to the programming design of the future building. On January 23, 2014, the University of Illinois Trustees unanimously approved the construction project and the \$21.75 million budget.

Project Schedule

The construction phase of the new union will begin in Spring 2015 with an expected completion date in Summer 2016. The project is currently in the design phase. The tentative project schedule is outlined below.

January 23, 2014	UI Board of Trustees Approval
April 1, 2014	IBHE Consideration
End of CY 2014 – Early CY 2015	Bidding and BOT Award Contracts
Spring 2015 – Summer 2016	Construction
Fall 2016	Occupancy/New Student Fee Begins

Recommendation

Staff has reviewed the projects presented in this item and found them 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 projects are consistent with the mission and scope of the institution; 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.

