

APPROVED
MARCH 14, 2017

Item #VI-8
March 14, 2017

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

Submitted for: Action.

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

University of Illinois at Urbana-Champaign
Illinois Street Residence Dining Facility
Renovation and Addition, \$69,440,000

Scope and Rationale: This project will renovate the outdated existing dining hall space and add additional square footage to the dining area at Illinois Street Residence Hall along with providing expanded residential meeting, conference, group study, recreation, and lab and library facilities.

Financing: The project will be financed through funds available to the Campus Housing Department along with a debt issuance at this time estimated to be in the \$50 million range. No rate increase is expected to support this project as the renovations will be funded through operation efficiencies realized in operating an up-to-date facility.

Constituent Input: University Housing surveyed students and found that they desire more dining choices, longer hours, and more variety of foods served along with the desire to remove barriers between the classroom and living environment.

Action Requested: That the Illinois Board of Higher Education approve the non-instructional capital project at the University of Illinois at Urbana-Champaign as described in this item.

STATE OF ILLINOIS
ILLINOIS BOARD OF HIGHER EDUCATION

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

This agenda item presents a recommendation to approve a capital improvement project for a non-instructional facility as proposed by the University of Illinois at Urbana-Champaign.

Background

The Board of Higher Education Act provides that “[e]ach State university must submit its plan for capital improvements of non-instructional facilities to the Board for approval before final recommendations are made if the total cost of the project as approved by the institution’s board is in excess of \$2 million.” The statutory definition of a non-instructional facility includes but is not limited to “dormitories, union buildings, field houses, stadium, other recreational facilities and parking lots.” (110 ILCS 205/8)

The Board has adopted administrative rules to outline the process, requirements and criteria for the submission and approval of a non-instructional capital project. (23 Ill. Adm. Code 1040) A state university must submit a Notice of Intent (Form 1) to the Illinois Board of Higher Education (IBHE) immediately upon approval of a non-instructional capital project by their Board of Trustees. This form provides basic information about the project. Subsequently, a second Notice of Intent (Form 2) is submitted providing greater depth and detail about project scope, project rationale, project financing, and constituent input. This information is used to help determine whether or not the project is consistent with the master plan for higher education and with the existing instructional buildings.

The project is then reviewed by IBHE staff for recommendation to the IBHE Board. If the project is found by a majority of the Board not to be consistent, such capital improvement shall not be constructed.

University of Illinois at Urbana-Champaign’s Request for Illinois Street Residence Dining Facility

The University of Illinois at Urbana-Champaign is seeking IBHE approval of the project presented in this item in order to proceed. This item provides details regarding the projects’ scope, cost and funding source, campus input, and schedule.

This project will entail renovation of existing dining hall space and will add additional square footage to dining area at the Illinois Street Residence Hall, along with providing residential programming options.

Project Background & Scope

The Illinois Street Residence (ISR) features two residence halls constructed in the mid 1960's. Five-story Townsend Hall houses over 600 students while twelve-story Wardall Hall accommodates just shy of 600 residents. Constructed at the same time was the 700-plus seat dining facility along with a lounge and food service building. The lounge and food service building are better known as the Illinois Street Residence Dining Facility. This project will renovate and add an addition to the dining hall facilities. Currently, the space is 72,000-plus gross square footage (GSF), and once complete will total approximately 110,000 GSF. *An architect/engineer has been retained for the project, and design will continue through 2017 with construction expected to begin sometime in 2018.*

Project Rationale

University Campus Housing recognized the long-term need to revitalize the ISR Dining Facility as these facilities were constructed in the mid 60's and no longer support a successful contemporary dining service or the residential life component student's desire. A recent study of the conditions detailed this and proposed plans to create an all-you-care-to-eat multi venue dining concept with a late night service component along with enhanced space for residential life functions. Once complete, the facility will be able to serve the approximately 1,200 students with a capacity served of 1,315 during peak hours. The main dining facility will serve 1,240 customers in an ala carte all you can eat concept while the C-Store will provide dine-in or carry-out service along with a small retail space with emphasis on fresh foods. The Tea Bar will offer specialty tea drinks in a relaxed atmosphere. Other spaces designed to meet student life needs include facilities for meetings, conferences, group study, student recreation, an innovations lab and library. Seminar rooms will be used for mid-sized group meetings, workshops, instructional session, breakout sessions, and for-credit classes. A shared common area will be home to the Innovation Living Learning Community (LLC). Innovation LLC welcomes students who thrive on innovation, entrepreneurship, and creativity, and features The Garage, a dedicated work space for the development of student new business and projects. The intent is to create a social hub of University Housing on the north side of campus by helping to foster interaction and community between students, faculty, and visitors where transformational learning experiences and groundbreaking scholarship take place.

Project Cost & Financing – (Institutional Funds and Debt Issuance)

The project will be financed through funds available to the Campus Housing Department along with a debt issuance at this time estimated to be in the \$50 million range. At this time, construction costs are estimated in the \$50-55 million range, with the project total at \$69,440,000. *No rate increase is expected to support this project* as the renovations will be funded through operation efficiencies realized in operating an up-to-date facility, closing a small volume dining facility close to ISR and increasing income in a newer facility that meets the need and demands of students.

Constituency Input/Decision-Making

University Housing's mission is to create communities that transform student lives with a vision to create success for every student through those communities. Housing follows their master plan developed several years ago as part of the development of Ikenberry Commons. The department regularly surveys students and has found that they desire more dining choices, longer hours, and more variety of foods served along with the desire to remove barriers between the

classroom and living environment which the University has sought to do through the living and learning communities at housing facilities. University Housing provides an environment that supports student learning and retention providing a community-based living experience helping students to make the transition from high school to college. By providing students with a diverse and rich living environment, Housing helps meet the goal of the *Illinois Public Agenda for College and Career Success* to “improve transitions all along the education pipeline,” and aids in “helping students with disabilities” by removing barriers to their success with the integration of students with disabilities into the general student population. *Much of the design for this new work is based on feedback received from a survey of students.*

This project was approved by the Board of Trustees at its November 10, 2016, meeting.

Recommendation

Staff has reviewed the project presented in this item and found it to be in accordance with the Board’s *Non-Instructional Capital Project Guidelines*, approved by IBHE in August 2002, and administrative rules. The project is 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 non-instructional capital project, the Illinois Street Residence Dining Facility requested by the University of Illinois at Urbana-Champaign, as included in this item.

