

APPROVED

NOVEMBER 15, 2022

Item #G-3
November 15, 2022

**CONSIDERATION AND APPROVAL OF NONINSTRUCTIONAL CAPITAL
PROJECTS FOR FISCAL YEAR 2023**

Submitted for: Approval.

Summary: This item recommends approving the University of Illinois Urbana Champaign (UIUC) noninstructional capital plan for the following project:

A new four-story parking deck to be constructed at the corner of Fourth and Pennsylvania. This deck will be built on an existing surface parking lot and provide roughly 450 parking spaces with a net new of 130 spaces for this zone of campus. The cost for this facility is \$22.6 million.

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



STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

**CONSIDERATION AND APPROVAL OF NONINSTRUCTIONAL CAPITAL
PROJECTS FOR FISCAL YEAR 2023**

Four-Story Parking Deck

Project Rationale

The Geis College of Business is constructing the South Campus Center for Interdisciplinary Learning (SCCIL) in this area of campus. The construction site is currently a surface parking lot and will remove about 170 parking spots. A deck in this area will recover those lost spots and also serve to remedy heavy parking demands for events at other properties in this zone including athletic/entertainment venues of Memorial Stadium, State Farm Center, and Activities and Recreation Center. This project will also provide opportunities for multimodal connects including bus stop, bike parking, bike rental and zip car rentals.

Project Financing

Total project cost for facility is estimated at \$22.6 million, which is packaged with other projects in a P3 Public Private Partnership agreement. The proposed financing structure for the Project will be based on a privatized financing model through which the Board of Trustees of the University of Illinois (the "Board of Trustees") will lease the land on which the Project is located to a to-be-formed single member limited liability corporation (the "Borrower"), the sole member of which is Provident, a 501(c)(3) organization established to assist colleges and universities across the country in providing academic and related facilities for their students and otherwise furthering their education missions. The Borrower will be organized exclusively for the Project on UIUC's campus and is not expected to have any assets other than the Project. The Ground Lease will extend for a term in excess of the maturity of the proposed debt financing and will contain provisions requiring the Project to be constructed and operated in accordance with UIUC-established standards. Standard provisions in the Ground Lease will also include certain areas of support and cooperation among UIUC and the Borrower. Operations and maintenance of the facilities will be performed internally by UIUC Facilities and Services. Rent payable under the Sublease will be based on the annual debt service costs of those facilities in the project. The System will fund all the sublease payments with pro-rata charges to the users which will annually be budgeted by the University. Each building in the project will be owned by the borrower until it reverts to the Board of Trustees at the end of the financing term or upon earlier repayment of the debt issued by the IFA for this project.

Constituency Input/Decision Making

This project follows both the Campus Master Plan and Parking Department Master Plan in citing facilities in targeted areas of campus to meet parking demand.

Staff Recommendation

The staff recommends adoption of the following resolution:

The Illinois Board of Higher Education hereby approves the Public University Noninstructional Capital Project included in this item.