

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

**Submitted for:** Action.

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

<u>University of Illinois at Urbana-Champaign</u>	
Residence Hall #3 – Ikenberry Commons	\$ 80,000,000

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



STATE OF ILLINOIS  
ILLINOIS BOARD OF HIGHER EDUCATION

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

The University of Illinois is seeking Illinois Board of Higher Education approval of the Residence Hall project detailed in this item in order to proceed. This item provides details regarding the project's background, scope, financing, and schedule.

<u>Institution/Project</u>	<u>Total Estimated Cost</u>
1) University of Illinois at Urbana-Champaign:	
Residence Hall #3 - Ikenberry Commons	\$80,000,000

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1) University of Illinois at Urbana-Champaign

Residence Hall #3 - Ikenberry Commons

Project Scope

The University of Illinois is seeking IBHE approval to proceed with a non-instructional capital project at the University of Illinois at Urbana-Champaign (UIUC) campus. This Residence Hall project is a continuation of a master plan to replace outdated housing facilities on the UIUC campus. Over the past several years, the IBHE has approved several components of this housing redevelopment plan. The IBHE approved Phases A & B of the dining and housing project at Ikenberry Commons in 2005. Phases C & D and E & G were approved in 2009. This project involves the construction of a third, new residence hall in the Stanley O. Ikenberry Commons on the south side of campus where Forbes Hall currently stands. The demolition of Forbes Hall (Phase G) was approved by the Board in October 2009.

The new residence hall will provide approximately 155,000 gross square feet of new space and will feature approximately 500 beds. The facility will be designed as a Leadership in Energy and Environmental Design (LEED) Gold facility and will offer a combination of room configurations to meet student needs. The exterior finishes of brick and stone trim will match recently completed facilities in the housing development. This project also includes the demolition of Taft and Van Doren halls, along with a new storm water detention system and related site work such as utility extensions, drainage, and related landscaping. At its March 15, 2012, meeting, the UI Board of Trustees approved the new residence hall project and the \$80.0 million project budget. The project will be financed through the issuance of revenue bonds from

the University's Auxiliary Facility System. Housing revenues will be used to pay the debt service costs; no state, tuition or fee funding will be used to finance this project. The University is seeking approval from the Illinois Board of Higher Education at its August 7, 2012 meeting.

### Project Rationale

In 2005, after much study and analysis, the University approved a master plan aimed at improving the campus housing facilities for undergraduate students at the Urbana-Champaign campus. At that time, it was determined that most of the existing housing located in this residential area of campus was constructed in the 1960s and was outdated; the facilities lacked adequate and proper mechanical systems, the room arrangements were no longer functional or popular, and the lack of adequate restrooms and shower facilities was problematic. The goal of the Ikenberry Commons redevelopment project is to replace these outdated housing facilities with new buildings that provide students with a greater living experience and create an environment that supports student learning and retention. This directly supports Goal 1 of the *Illinois Public Agenda for College and Career Success*. The Residence Hall #3 project is the latest in a series of Phased projects previously approved by the Board; Phases A & B were approved in 2005, and Phases C & D and E & G were approved in 2009. Phases A, B, C, and D of the campus redevelopment plan have been completed; Phase E & G is currently underway and slated for a summer 2013 completion.

### Project Cost & Financing

The total cost of the Residence Hall #3 project and related work is estimated at \$80.0 million. The major project cost components are summarized in Table 1.

Table 1  
Residence Hall #3 - Ikenberry Commons  
Estimated Project Costs

Construction costs	\$ 58.9 million
Bid & Construction Contingency	5.9 million
Owners Cost*, Professional Services, A/E Fees	13.2 million
<u>Furniture, fixtures, equipment</u>	<u>2.0 million</u>
Total	\$80.0 million

\* Includes: LEED Registration and Certification, Site Survey, Geotechnical Survey, Commissioning, Inspection, State Demolition Fees, and additional management and coordination costs to make the new facility complete and usable, phones, keying, signage, cleaning.

The new residence hall will become part of the University's Auxiliary Facility System. Funds for the project are available from the system's restricted funds operating budget to be reimbursed from the proceeds of a future revenue bond sale. Revenues generated from student housing charges will be used to retire the debt, pay the estimated \$1.1 million in operations and maintenance costs, and pay the \$690,000 in estimated utility costs. The room and board charges for FY2013 were approved by the University BOT on January 19, 2012. The typical room and board plan at the Urbana-Champaign campus, a double-occupancy room with a basic meal plan, will increase \$118, or 2.5 percent, per semester (see Table 2). No state general funds, tuition, or fee revenues are associated with the project.

Table 2  
University of Illinois at Urbana-Champaign  
Room and Board Charges\*

FY2012	\$ 4,726
<u>FY2013</u>	<u>\$ 4,844</u>
Increase	\$ 118 (2.5%)

\* Rates per semester, standard double occupancy room with basic meal plan.

#### Constituency Input/Decision-Making

As mentioned previously, the Residence Hall #3 project is a continuation of a master plan to replace outdated housing facilities on the Urbana-Champaign campus. Each phase of the housing redevelopment plan has been presented to, and approved by, the Board of Trustees. University of Illinois Campus Housing staff survey students on a regular basis to get detailed input on students' preferences regarding living and room arrangements, privacy in restrooms, and dining choices and hours of operation. Numerous student groups, such as the Central Residential Funding Board, the Housing Undergraduate Advisory Board, and the Leadership Coalition also provided valuable input on student desires and preferences regarding housing and dining. This input confirmed the need for the systematic rehabilitation of the student housing facilities and provided the University staff with guidance on the development of the master plan.

#### Project Schedule

The construction phase of the residence hall project will begin in spring of 2014 with an expected completion date in the summer of 2016, and occupancy planned for the fall of 2016.

January 19, 2012	UI Board of Trustees FY2013 Housing Rates Approval
March 15, 2012	UI Board of Trustees Residence Hall Project Approval
August 7, 2012	IBHE Consideration
Spring 2014	Construction expected to begin
Fall 2016	Residence Hall Completion; Fall Occupancy Expected

#### **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 non-instructional capital project included in this item.*

