

APPROVED
MARCH 14, 2017

Item #VI-7
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:

Northern Illinois University
Neptune Residential Complex Upgrade
Renovation and Improvements, \$5,400,000

Scope and Rationale: This project is intended to update and refresh the Neptune Residential Complex located in the heart of the campus by providing minor painting, remodeling, new furnishings, and improvements to student common areas, lounges, shower rooms, student rooms, and the central dining hall.

Financing: The project will be financed by using the proceeds of the Series 2010 Build America Bonds. The Illinois Board of Higher Education approved the NIU Living & Learning Series 2010 Projects totaling \$94.3 million at its December 7, 2010 meeting. Northern Illinois University Board action on March 9, 2017, approved proceeding with this upgrade project.

Constituent Input: Extensive input has been provided by students, faculty, alumni, staff, and community members regarding the development of this and other campus projects. Students from a wide variety of organizations and constituent groups participated in the focus groups and completed online surveys.

Action Requested: That the Illinois Board of Higher Education approve the non-instructional capital project at Northern Illinois University 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 Northern Illinois University.

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.

Northern Illinois University’s Request for Neptune Residential Complex Upgrade

Northern Illinois University (NIU) 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.

The Neptune Residential Complex is located in the heart of the NIU campus. This project will freshen and update an outdated facility. A fresh and attractive residential facility in the center of campus will attract new students, improve occupancy rates, and enhance the student residential life experience.

Project Background & Scope

Estimated Project Schedule:

- Qualification Based Selection of the A/E Design Team: Spring 2017
- Design Development and Construction Documentation: Spring 2017
- Partial Construction Completion: Spring/Summer 2017
- Construction Completion: Spring/Summer 2018

NIU is seeking approval from IBHE to proceed with a non-instructional capital improvement to the Neptune Residential Complex located on the main campus of Northern Illinois University in DeKalb, Illinois. The Neptune Residential Complex consists of four units, East, West, Central, and North.

The East, West, and North buildings are primarily residential facilities with social gathering spaces. Furnishings, bathroom, and toilet room facilities have not had major updates since the buildings were constructed.

Based on campus-wide initiatives in 2014 and 2015, an updated vision for the Neptune Residential Complex was developed with the help of consulting architects, engineers and planners. This upgrade project will be a small part of a planned multi-phased redevelopment of the complex. It will include painting, remodeling, redecorating with new furnishings, and improvements to student common areas, lounges, shower rooms, student rooms, and the central dining hall. This project is intended to freshen and update an outdated facility.

Project Rationale

Neptune North is an independent structure that was constructed in 1953 and is approximately 76,670 gross square feet (GSF). It includes approximately 180 student dorm rooms and social gathering spaces.

Neptune Central was constructed along with Neptune East and West in 1957 and is approximately 62,100 GSF. It includes roughly 25,000 GSF of dining, food preparation, and social gathering spaces.

Neptune East and West were constructed along with Neptune Central in 1957. Together, the buildings are 138,400 GSF and with approximately 390 student dorm rooms and the main administrative offices for the university's Housing and Residential Services unit.

The facility has had some minor targeted remodeling over the years in various areas, general building envelope maintenance, and roof replacements. The building dorm rooms, toilet and shower rooms, infrastructure, mechanical systems, lighting and finishes are in many cases dated, worn, and beyond their expected useful life. While it has served the university well for over half a century, the buildings are in need of major renovation and updates consistent with current best practices for contemporary student residential facilities to meet the expectations and needs of today's students.

In a recent 2014 urban planning thesis, the Neptune Complex was identified as a central element in the revitalization of central campus. In 2015, consulting architects, engineers, and planners were hired to develop master plans for central campus and specifically Neptune

Residential Complex. As a centrally located residential facility, it is crucial to improve the occupancy rates which, in turn, improve future student recruitment and retention. While the resulting full renovation concepts, estimated at \$47 million, would not be financially viable at this time; ideas developed would inform how a limited investment might be accomplished to update key areas of the complex and make it more attractive. The goal of this upgrade is to begin the process of renovation to provide an attractive residential facility at the “heart” of campus providing a unique housing option for students.

Recent residential hall occupancy comparisons show Neptune with the highest vacancy rate. For a centrally located residence hall, this demonstrates student preference for other newer or renovated hall options available at NIU. In general, campus improvements, such as renovating older buildings, improving building accessibility, and providing students with vibrant, lively, and inviting spaces will enhance the student on-campus experience and will promote student recruitment, retention, and educational attainment. This project will provide a more inviting and functional environment for resident students and enhancing their residential life experience. Improving the on-campus social experience for students promotes the non-instructional objectives of NIU and aligns with the goals of the *Illinois Public Agenda for College and Career Success*.

Project Cost & Financing – (Series 2010 Build America Bonds)

Preliminary Estimated Budget*

- Student Room/Common Areas/Shower Room Improvements/Furnishings (\$3,500,000)
- Dining Serving Area Upgrade (\$400,000)
- Main Entryway Improvements (\$700,000)
- Interior Finishes Replacement and Lighting Improvements (\$300,000)
- General Requirements, Contingencies (\$500,000)

Total Cost: \$5,400,000

**Actual costs may vary from the line items within the Preliminary Estimated Budget. However, the budget approved by the Board of Trustees will not be exceeded without further Board approval.*

The University is not issuing new debt or raising student fees to fund this project. This project will be funded using the proceeds of the Series 2010 Build America Bonds. The IBHE approved the NIU Living & Learning Series 2010 Projects totaling \$94.3 million at its December 7, 2010 meeting. The original project list was updated by NIU Board of Trustees Action to include Neptune Complex Renovation at the June 19, 2014 meeting. Recent Board of Trustee Action at the March 9, 2017 meeting approved proceeding with this upgrade project. NIU is now seeking IBHE approval to proceed with a project budget not to exceed \$5.4 million. The estimated project cost approved by the NIU Board of Trustees is \$5.4 million.

Constituency Input/Decision-Making

In 2010 there was extensive campus community and student group input on the Living & Learning campus improvement initiative. In 2014, a series of *Bold Futures* workshops gathered input from more than 800 students, faculty, staff, and community members on campus improvement projects. In early 2015 consultant architects and engineers were hired to develop master plans for central campus, the Holmes Student Center, and specifically Neptune Residential

Complex. Gathering further input from further campus-wide online surveys, student, staff and alumni focus groups, and committee meetings over the course of 2015; long range master plans for Neptune Residential Complex, Holmes Student Center, and central campus were developed. Students from a wide variety of organizations and constituent groups participated in the focus groups and completed the online surveys. The University plans to continue student involvement as the project proceeds.

NIU Board of Trustees:

- *October 21, 2010:* Initial Series 2010 Project List. ACTION
- *June 19, 2014:* Update Initial Series 2010 Project List to include Neptune Complex Renovation. ACTION
- *March 9, 2017:* Approved Neptune Residential Complex Renovation; \$5.4 million budget. ACTION

IBHE Board:

- *December 7, 2010:* ACTION – Approved NIU non-instructional projects list, Living and Learning Initiative \$94.3 million.
- *March 14, 2017:* ACTION – Consideration of proposed non-instructional project Neptune Residential Complex Upgrade, with estimated budget of \$5.4 million.

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 the Illinois Board of Higher Education 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 Neptune Residential Complex Upgrade requested by Northern Illinois University, as included in this item.