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Revised April 2016

**EXECUTIVE SUMMARY**

Project	Board Approval Status	Gross Square Footage	Project Cost	Amount Financed	Funding Method	Annual Debt Service <sup>1</sup>	Debt Ratio
<b>New Auxiliary Projects</b>							
South Dining Renovation	CIP 2015	50,759	\$22,000,000	\$14,000,000	System Revenue Bonds/Aux	\$1,266,000	0.19%
<b>New Projects Total</b>		<b>50,759</b>	<b>\$ 22,000,000</b>	<b>\$ 14,000,000</b>		<b>\$1,266,000</b>	<b>0.19%</b>
<b>Previously Approved Third-Party Projects</b>							
Runke Drive Student Apts.	CIP 9/2014	TBD	N/A	N/A	Third-Party	N/A	N/A
<b>Resubmitted Total</b>			<b>N/A</b>	<b>N/A</b>		<b>N/A</b>	<b>N/A</b>
<b>TOTAL</b>		<b>50,759</b>	<b>\$ 22,000,000</b>	<b>\$ 14,000,000</b>		<b>\$1,266,000</b>	<b>0.00%</b>



**EXECUTIVE SUMMARY**

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**Arizona Board of Regents  
Northern Arizona University  
Capital Development Plan Project Justification Report  
Privatized Residence Hall – Runke Drive Student Apartments  
(NAU Project Number: #09.870.151)**

**1. Previous Board Action:**

Capital Improvement Plan

September 2014

**2. Statutory / Policy Requirements:**

Board Policy 7-107 B.1. requires Capital Committee review and Board approval of the annual Capital Development Plan.

Capital projects where the Board and the university share with other entities (public/private ventures) the control, financing, or ownership (current or future) of the project and/or its delivery process and that are subject to review under Board policy 7-207, shall be included in the Capital Development Plan and reviewed by the Business and Finance Committee and approved by the Board.

**3. Project Justification / Strategic Implications for Mission, Strategic Plan, Master Plan and Community Input Process:**



**EXECUTIVE SUMMARY**

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additional detailed information on Financials, Development Proposals, and other critical criteria. ACC was selected as the student housing developer from this procurement process.

American Campus Communities currently has two ground leases and residence halls with the university from this RFP (The Suites I & II, and Hilltop Townhomes). The Runke Drive Student Apartments will be a new ground lease between ACC and NAU, similar in form and function to the

**EXECUTIVE SUMMARY**

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**10. Alternatives:**

There are no viable alternatives to this project.

**11. Other Related projects:**

There are no related projects.

**12. Project location map:**

**EXECUTIVE SUMMARY**



North



**EXECUTIVE SUMMARY**

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**Arizona Board of Regents  
Northern Arizona University  
Capital Development Plan Project Justification Report  
South Dining Renovation  
(NAU Project Number: #09.630.161)**

**Previous Board Action:**

FY 2017 – 2019 Capital Improvement Plan

September 2015

**Statutory / Policy Requirements:**

Pursuant to Arizona Board of Regents Policy Chapter 7-102, all capital projects with an estimated total project cost of \$5 million or more for renovation or infrastructure projects, or \$10 million or more for new construction or information technology projects shall be brought to the Business and Finance Committee for approval regardless of funding source or financing.

**Project Justification/Description/Scope**

A recent campus space assessment and the 2010 Master Plan identify the need for increased dining facilities as well as study spaces on south campus. The primary dining and study spaces are located in mid and north campus while there is a large concentration of student housing and classrooms on south campus. Current facilities do not have adequate space for current enrollment and will become more deficient as enrollment increases.

A university's physical campus and student services are critical to recruiting and retaining high quality students. The South Dining facility is a critical component to the enhancement of student life in South campus. It will be host to an active, dynamic dining program with food choices and amenities that are crafted to be consistently interesting and relevant to student interests. The dining options that prevail should foster and reinforce the unique identify of the site in an outcome that attracts both students and the broader university community to the site.

This project will renovate the basement and first floor of the South Dining facility, as well as the first floor of the adjoining DuBois Center to allow for expanded dining and student learning space. The total renovation will cover 50,759 square feet, which includes making the unexcavated dirt floor basement of the South Dining facility useable space.

Four hundred twenty-five (425) seats will be provided in the main dining room of the South Dining facility, with approximately 40 more seats outdoor. Summer conference dining activity will be able to expand to the adjacent conference rooms. The dining cashier control point for the all-you-care-to-eat dining program will be flexible to allow for access to the conference rooms during the summer so that camp and



**EXECUTIVE SUMMARY**

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CMAR, and the third-party estimator are within 1% of each other on the cost of construction for the project.

**Fiscal Impact and Financing Plan:**

The \$22 million for the South Dining Renovation will be funded with \$14 million in system revenue bond proceeds and \$8 million from auxiliary funds. The debt service on the bonds will be paid by auxiliary funds.

**Debt Ratio Impact:** The debt service associated with this project will increase the debt ratio by 0.19%, from 5.14% to 5.33%.

Current market conditions indicate that NAU will issue long-term fixed rate bonds with a final maturity of approximately 20 years. NAU's financial advisor estimates the overall true interest rate on the bonds as of March 9, 2016 will be 3.14%. NAU will proceed with the financing if the overall true interest cost of the bonds is not more than 6% per annum. The estimated annual debt service based on the 6% not to exceed rate is \$1,266,000, which will be funded from auxiliary services.

**Occupancy Plan**

The South Dining facility will continue to house both retail and residential dining, with expanded seating areas. Additionally, some functions of the existing Learning Resource Center will be relocated to this renovated space. An evaluation of the vacated space in the Learning Resource Center is underway by NAU's Strategic Space Planning Committee to determine its best future use.

**EXECUTIVE SUMMARY**

**EXECUTIVE SUMMARY**

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**University:** Northern Arizona University

**Project:**

	<b>Capital Development Plan</b>	<b>Project Approval</b>
Capital Costs		
1. Land Acquisition		
2. Construction Cost		
A. New Construction		
B. Renovation	\$ 16,140,000	\$ 16,140,000
C. Fixed Equipment (Owner Furnished)		
D. Site Development (excl. 2.E.)		
E. Parking and Landscaping		
F. Utilities Extensions		
G. Other (Asbestos remediation)	116,000	116,000
F. Inflation and Market Adjustment		
Subtotal Construction Cost	\$ 16,256,000	\$ 16,256,000
3. Fees		
A. Construction Mgr		
B. Architect/Engineer	\$ 1,902,200	\$ 1,902,200
C. Other		
Subtotal Consultant Fees	\$ 1,902,200	\$ 1,902,200
4. FF&E Movable	\$ 925,300	\$ 925,300
5. Contingency, Design Phase	91,400	91,400
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