

FY 2017
Capital Development Plan
Arizona State University

Revised April 2017

EXECUTIVE SUMMARY**Item Name: Revised FY 2017 Capital Development Plan (ASU)**

- Action Item
 Committee Recommendation to Full Board
 First Read of Proposed Policy Change
 Information or Discussion Item

Issue: Arizona State University (ASU) asks board approval of its Revised FY 2017 Capital Development Plan (CDP), which includes one new project, the Greek Leadership Village Community Center. This revised CDP totals \$14 million.

Enterprise or University Strategic Plan

(Check the element(s) of the strategic plan that this item supports or advances)

- Empower Student Success and Learning
 Advance Educational Attainment within Arizona
 Create New Knowledge
 Impact Arizona
 Compliance
 Real property purchase/sale/lease
 Other:

Statutory/Policy Requirements

- Pursuant to Arizona Board of Regents Policy, Chapter 7-107, revisions to the Capital Development Plan (CDP) are reviewed by the Capital and Project Finance Committee and approved by the Board.

Project Justification/Description/Scope

The Arizona State University Revised FY 2017 CDP totals \$14.0 million and proposes the following new major capital project for approval:

Greek Leadership Village Community Center

- This revised CDP incorporates the construction of the Greek Leadership Village (GLV) Community Center, which will be located adjacent to the new fraternity and sorority student housing being constructed on the Tempe campus. This Community Center will provide flexible office, meeting and event space to accommodate the needs of the university's Greek student organizations.

Contact Information:

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- The GLV Community Center project in this revised CDP reflects thoughtful and productive investment in the university's infrastructure that is so vital to student success and to supporting key elements of ASU's Strategic Enterprise Framework, including:
 - Achieving a fifty-seven percent increase in degree production
 - Establishing national standing in academic quality and the impact of colleges and schools in every field
 - Enhancing local impact and social embeddedness
 - Expanding research performance to \$815 million in annual research expenditures by 2025.

Fiscal Impact and Financing Plan:

- The ASU revised FY 2017 CDP, if fully implemented, reflects a total cost of \$14.0 million.
- The university will internally fund construction of the Greek Leadership Village Community Center project with auxiliary system revenues.
- Operations and maintenance costs for this project are estimated at \$150,974 annually and will be funded by auxiliary revenues.

Debt Ratio Impact: This project will not impact the university's debt ratio.

- The tables in Exhibits 1 and 2 provide details on the financial aspects of this project.

Requested Action

Arizona State University asks the committee forward to the full board for approval of its revised FY 2017 Capital Development Plan, as presented in this Executive Summary.

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Exhibit 1

ARIZONA STATE UNIVERSITY							
AMENDED FY 2017 CAPITAL DEVELOPMENT PLAN							
Project	Board Approval Status	Gross Square Footage	Project Cost	Amount Financed	Funding Method	Annual Debt Service	Debt Ratio
New Auxiliary Project							
Greek Leadership Village Community Center		30,000	\$14,000,000	-	Auxiliary Revenues	-	-
New Project Total		30,000	\$14,000,000	-			
Total		30,000	\$14,000,000	-		-	-

Exhibit 2

AMENDED CAPITAL DEVELOPMENT PLAN - OPERATION AND MAINTENANCE BY FUNDING SOURCE											
Project	TOTAL ANNUAL O&M	301	TUI	AUX	ICR	OLF	GFA	FGT	DFG	OTH	TOTAL ANNUAL O&M
New Auxiliary Project											
Greek Leadership Village Community Center	\$ 150,974			\$ 150,974							\$ 150,974
New Auxiliary Project Total	\$ 150,974	\$ -	\$ -	\$ 150,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,974
Total	\$ 150,974		\$ -	\$ 150,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,974

Debt Service Funding Source Codes:

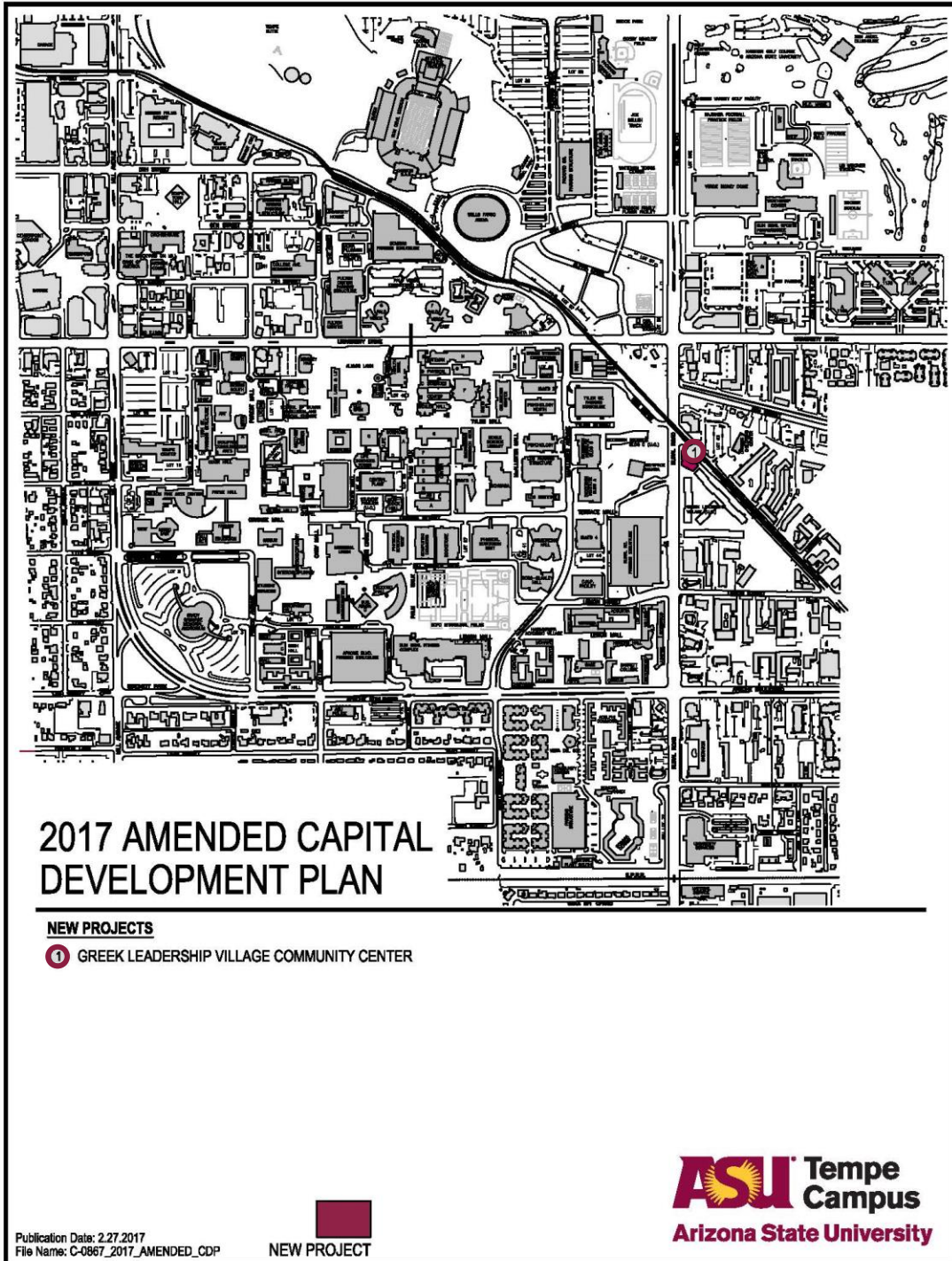
(301) 301 Fund/Other
 (TUI) Tuition
 (AUX) Auxiliary

(ICR) Indirect Cost Recovery
 (OLF) Other Local Funds
 (SLP) State Lottery Allocation Proceeds

(GFA) General Fund Appropriation
 (FGT) Federal Grant
 (DFG) Debt Financed by Gifts
 (OTH) Other

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EXHIBIT "A"
REVISED FY 2017 CAPITAL DEVELOPMENT PLAN
LOCATION AND SITE MAP



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**Arizona Board of Regents
Arizona State University
Revised Capital Development Plan Project Justification Report
Greek Leadership Village Community Center**

Previous Board Action:

- None

Statutory/Policy Requirements

- Pursuant to Arizona Board of Regents Policy, Chapter 7-102 (B), new construction projects with an estimated total cost of \$10 million or more shall be brought to the Business and Finance Committee for approval.

Project Justification/Description/Scope

- The Greek Leadership Village Community Center project will support the ABOR *2020 Vision* goal and the mission and goals of the university to enable student success and advance educational attainment within Arizona. Arizona State University continues to pursue the highest standards of excellence, access and impact. This Community Center will support the attainment of these goals by facilitating opportunities for students to learn and discover, develop leadership skills, and maximize their college experience through engagement with their school and the communities it serves.
- The Community Center will be located on the Tempe campus on the former site of the Cholla Apartments. The Community Center will be adjacent to the new fraternity and sorority student housing being constructed by American Campus Communities (ACC), pursuant to a ground lease approved by the Board in November of 2016. The project site is depicted on the map attached hereto as Exhibit B.
- The approximately 30,000 gross-square-foot, three-level Community Center will serve as a student-operated gathering space for the ASU fraternity and sorority community, including its five councils and chapters.
- The Community Center will provide meeting space for chapters to conduct their operational business and flexible office and work space for the utilization of all five councils and their staff advisors. The Community Center will include large open public gathering spaces, a visitor lobby and reception area, conference rooms, exterior terrace space to facilitate student and community events and street-level

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public retail space. The building will be designed to meet the specifications for LEED Silver certification.

Project Delivery Method and Process

- The Community Center will be located on a small parcel of land with limited space available for the construction of this project, immediately adjacent to and simultaneous with the greek student housing project. The proposed project would, therefore, be constructed under contract with ACC, in order to take advantage of construction management and cost efficiencies. The project is being designed under the supervision of ASU Facilities Development and Management. A fixed-price agreement will be established with ACC for the construction of this project, based on the approved design.

Project Status and Schedule

- This project is in the design development phase, with construction scheduled to start in July 2017. The project is scheduled for substantial completion in July 2018.

Project Cost

- The budget for this approximately 30,000 gross-square-foot project is \$14.0 million.
- The budget represents an estimated construction cost of \$350 per gross square foot. The estimated total project cost is \$467 per gross square foot.
- For this Project Approval Phase, the DP has provided external cost estimates from independent design efforts.

Fiscal Impact and Financing Plan

- The university will internally fund construction of the Greek Leadership Village Community Center project with auxiliary system revenues.
- Operations and maintenance costs for this project are estimated at \$150,974 annually and will be funded by auxiliary revenues.

Debt Ratio Impact: This project will not impact the university's debt ratio.

Occupancy Plan

- This project will create an on-campus presence for the Greek organizations to facilitate their collaboration and community engagement activities and does not represent a backfill plan.

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Capital Project Information Summary**University:** Arizona State University**Project Name:** Greek Leadership Village Community Center**Project Description and Location:**

This project will construct a new, stand-alone Community Center adjacent to fraternity and sorority student housing under construction on the Tempe campus. The location of this center is depicted on the map incorporated herein as Exhibit B. The approximately 30,000 gross-square-foot, three-level Community Center will provide flexible office, meeting and event space to accommodate the needs of the university's Greek student organizations.

Project Schedule:

Planning	July	2016
Design	November	2016
Construction Start	July	2017
Construction Completion	July	2018

Project Budget:

Total Project Cost	\$ 14,000,000
Total Construction Project Cost	\$ 10,502,788
Total Project Cost per GSF	\$ 467
Construction Cost per GSF	\$ 350

Change in Annual Operations and Maintenance Cost:

Utilities	\$ 69,720
Personnel	0
All Other Operating	81,254
Subtotal	\$ 150,974

Funding Sources:

A. Auxiliary Revenues	\$ 14,000,000
Operation/Maintenance Annual	\$ 150,974
Funding Source: Auxiliary Revenues	

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	Capital Development Plan	Project Approval
Capital Costs		
1. Land Acquisition		
2. Construction Cost		
A. New Construction	\$ 10,057,236	
B. Renovation		
C. Special Fixed Equipment	81,828	
D. Site Development (excl. 2.E.)	363,724	
E. Parking and Landscaping		
F. Utilities Extensions		
G. Other* (Demolition)		
Subtotal Construction Cost	<u>\$ 10,502,788</u>	<u>\$ -</u>
3. Fees		
A. CMAR Pre-Construction		
B. Architect/Engineer	1,050,000	
C. Other	195,665	
Subtotal Consultant Fees	<u>\$ 1,245,665</u>	<u>\$ -</u>
4. FF&E Movable	\$ 50,000	
5. Contingency, Design Phase	535,000	
6. Contingency, Constr. Phase	535,000	
7. Parking Reserve		
8. Telecommunications Equipment	250,000	
Subtotal Items 4-8	<u>\$ 1,370,000</u>	<u>\$ -</u>
9. Additional University Costs		
A. Surveys, Tests, Haz. Mat. Abatement	\$ 150,000	
B. Move-in Costs	60,000	
C. Printing Advertisement		
D. Keying, signage, facilities support	100,000	
E. Project Management Cost (2%)	535,838	
F. State Risk Mgt. Ins. (.0034 **)	35,709	
Subtotal Addl. Univ. Costs	<u>\$ 881,547</u>	<u>\$ -</u>
Total Capital Cost	<u>\$ 14,000,000</u>	<u>\$ -</u>

* Universities shall identify items included in this category

** State Risk Management Insurance factor is calculated on construction costs and consultant fees.

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EXHIBIT "B"
GREEK LEADERSHIP VILLAGE COMMUNITY CENTER
LOCATION AND SITE MAP

