

Board of Trustees
January 19, 2006

ROLL CALL

INCREASE INFRASTRUCTURE PROJECT BUDGET FOR SOUTH CAMPUS
DEVELOPMENT, CHICAGO

Action: Approve Increase Infrastructure Project Budget for South Campus
Development, Chicago

Funding: Debt Service Savings from Refinancing/Restructuring of FY 1999 and FY
2000 South Campus Development Project Revenue Bonds, South Campus
Completion Bonds, Construction Fund Earnings and Institutional Funds

At the July 8, 1999, meeting of the Board of Trustees of the University of Illinois, the Board approved the initial project as well as actions leading to the issuance of Lease-Revenue Bonds or Certificates of Participation to finance the South Campus Infrastructure Development. The approximate budget of \$65.0 million for the South Campus Infrastructure Project was identified.

At the November 18, 1999, meeting of the Board of Trustees of the University of Illinois, the Board approved the initial budget of \$72.9 million for the South Campus Infrastructure Project as part of the approval of the Redevelopment/Tax Increment Financing Agreement (TIF) with the City of Chicago.

At the May 15, 2003, meeting of the Board of Trustees, the Board approved the South Campus Infrastructure Development Project for \$89.9 million.

Subsequent to this original approval, there have been modifications to the Master Plan to reflect the current residential market demands in order to maximize the potential of the remaining undeveloped property. These changes, as well as additional requests by the City of Chicago, delay associated with the acquisition of the UPS property, and price escalation of construction labor and materials over the past two years have resulted in increased project costs. The South Campus Development Team, LLC (SCDT) have provided updates of current contracts and estimates of future work based on current and anticipated construction market conditions and have recommended that additional funds be allocated to fund these changes and unforeseen increases.

In order for the project to proceed, the Chancellor at Chicago with the concurrence of the appropriate administrative officers recommends that the Board approve the increase in Infrastructure project budget for the South Campus Development project to \$92.9 million, an increase of \$3.0 million.

The project will be funded from the debt service savings on the refinancing/restructuring of a portion of the UIC South Campus revenue bonds. Institutional funds will be reserved as backup for the payment of these costs.

The board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The President of the University concurs.