

Board Meeting
September 19, 2019

ROLL CALL

DELEGATE AUTHORITY TO COMPTROLLER TO APPROVE LEASE AND
PURCHASE OF THE ILLINOIS CONFERENCE CENTER ADDITION,
URBANA RESEARCH PARK

Action: Delegate Authority to Comptroller to Approve Lease and Purchase of the Illinois Conference Center Addition, Urbana Research Park

Funding: Auxiliary Facilities System Revenue Bonds

The Chancellor, University of Illinois at Urbana-Champaign, and Vice President, University of Illinois with the concurrence of the appropriate administrative officers and the concurrence of the University of Illinois Research Park Board of Managers recommends approval, subject to satisfactory resolution of final contract terms, that the Comptroller be authorized to execute a lease agreement, purchase agreement, and related financing agreements to affect the construction and purchase of an addition to the Illinois Conference Center.

The Auxiliary Facilities unit at Urbana proposes to lease, with an option to purchase, an addition to the existing Illinois Conference Center. The Illinois Conference Center is attached to the I-Hotel in the Urbana Research Park and is located immediately south of the State Farm Center. The addition to the facility will allow the University to meet growing demand for conference facilities.

The proposed project is 32,000 square feet including a large ballroom of 14,000 square feet. With the addition, large groups of nearly 1,000 people can be accommodated and up to 1,500 in a theater setting arrangement. The proposed addition is based upon an extensive demand analysis by the Urbana Auxiliary Facilities unit and the contracted facility manager.

The addition is proposed to be built through the existing Research Park Development Agreement utilizing the Research Park Developer Fox/Atkins. The facility will be initially leased during construction. However, it is anticipated that upon completion the University will execute an option to purchase the addition at an expected price of \$13.0 million. The purchase will be made using proceeds of a future Auxiliary Facilities System Revenue Bond. The maximum amount of the bonds expected to be issued for this project is \$14.0 million. Revenues from the expanded facility will cover debt payments and operational cost. The University owns the existing facility and land.

The proposed design of the project has been reviewed by appropriate campus design committees and has been approved by the Research Park Board of Managers. With Board of Trustees approval, the project is expected to break ground in November of 2019 and be completed in 12 months.

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 policy and directives.

The President of the University concurs.