

Board Meeting
September 8, 2005

ROLL CALL

APPROVE CONFERENCE CENTER PROJECT, URBANA

Action: Approve Conference Center Project, Urbana

Funding: Auxiliary Facilities System Funds and Institutional Funds Budget of the Urbana Campus

The Chancellor at the University of Illinois at Urbana-Champaign proposes construction of an \$11.0 million, 37,000 square foot Conference Center to serve as an amenity to the University Research Park and an asset to the colleges and departments of the University (including the Division of Intercollegiate Athletics). Planned uses include academic conferences, seminars, and professional association meetings. The Conference Center would be located on the southeast corner of St. Mary's Road and First Street, just south of the Assembly Hall.

The Conference Center will be adjacent to and connected with a \$15,500,000, four-diamond quality hotel and restaurant complex currently under development by the Research Park developer (Fox/Atkins). This proximity will offer significant benefits for marketing and using the Conference Center.

Fox/Atkins will own and operate the hotel/restaurant, and the University will own and operate the Conference Center. Due to the location and timing of construction of the two projects, their design and construction should be coordinated

carefully. Trustee approval of the Conference Center project will expedite this coordination and permit the developer to move forward with the hotel and restaurant project. Once the developer has received approval from the Research Park Board of Managers of the final plan and ground lease for the hotel and restaurant project, the University will proceed with the Conference Center component. No project funds for the Conference Center will be committed or expended until the developer has commenced the hotel and restaurant project.

Operation of the Conference Center will generate revenue and the facility has a strong functional connection to a variety of other essential campus life services such as student/staff housing, parking, bookstores, athletic and recreational facilities, student unions, and health service programs. Therefore, it will be included in the Auxiliary Facilities System (AFS), making it eligible to receive AFS funding.

It is anticipated that design and construction of the facility will be paid from \$6.0 million of currently available Auxiliary Facilities System resources and up to \$5.0 million of institutional funds from the Urbana campus. In recognition of the value of this project to the community, it is anticipated that the City of Champaign will provide approximately \$3.0 million to the University over the next eleven years to help contribute to the overall costs of this project, thereby reducing the need for a portion of institutional funds. The design and construction of the Conference Center will follow the established procedures for a University construction project independent of the hotel/restaurant project.

Accordingly, the Chancellor at Urbana with the concurrence of the appropriate administrative officers recommends that the Conference Center project be approved at \$11.0 million

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.

Funds for this project are available from Auxiliary Facilities System funds and institutional funds operating budget of the Urbana campus.

The President of the University concurs.