

Board of Regents Policy: Physical Plant B Section 1003.7

This authority request is for an amount greater than \$150,000, which requires additional information:

(a) Project Description: This authority request includes the following project elements:

This project performs the programming & design services and construction of a new dining facility to accommodate the consolidation of the existing Harrison and Hannon Dining Halls with additional seating capacity accommodated. The scope of work will include new construction of food preparation areas; serveries, equipment; dining areas; and a public grab and go concept.

(b) Cost Estimate and Funding Sources:

Estimated Cost:

Construction:	<i>\$12,255,700</i>
Consultant Fees:	<i>\$ 1,255,200</i>
Owner's Expenses:	<i>\$ 1,216,200</i>
Contingency:	<i>\$ 772,900</i>
Total	<i><u>\$15,500,000</u></i>

Funding Sources: This project will be financed through a combination of existing bond proceeds, investment income associated with 2013 Series A bond proceeds and Auxiliaries maintenance reserves and bond funds, the debt service for which will be paid from Auxiliary Operations Revenue (Renewal and Replacement Budget) as follows:

Unexpended Bond Proceeds from 2013 Series A financing	\$ 7,300,000
Investment Earnings from 2013 Series A proceeds	\$ 300,000
Auxiliaries R&R funds	\$ 1,900,000
2015 Series C Financing described under concurrent cover	<u>\$ 6,000,000</u>
Total	<u>\$15,500,000</u>

Funds on hand may be used to reduce amount of principal borrowed.

(c) Program Served, Enrollment Data, and Projected Enrollment: The Harrison and Hannon Dining Facilities of the MSU food service enterprise served 677,000 patrons throughout the 2014-2015 academic year. The dining halls at MSU are experiencing growth in utilization as a result of occupancy within the residence halls and overall enrollment at the university plus increased sales of off-campus meal plans as patrons realize convenience coupled with value associated with on campus dining facilities.

(d) Space Utilization Data:

The renovation and upgrade projects will include increased and more efficient seating capacity resulting in the ability to service in excess of 740,000 patrons annually.

(e) Projected Use for Available Residual Space

The residual space will not be available until Spring 2018 and is comprised of Harrison and Hannon Dining Halls. The space in question is being considered for utilization within Auxiliary Services or for other university purposes in accordance with University Space Utilization processes.

(f) Projected O&M Costs and Proposed Funding Sources:

Operations & maintenance costs are not expected to increase from current levels and will be paid from net Auxiliary Operations Revenue.