

**EXECUTIVE SUMMARY**

**ACTION ITEM: Residence Life Building Renewal, Phase 3 & 4: Project Implementation Approval**

**ISSUE:** The University of Arizona requests Project Implementation Approval for the Residence Life Building Renewal, Phase 3 and 4 project. Phase 3 includes renovation and building infrastructure replacement at Coronado Hall and fire sprinkler system replacement at Cochise Hall. Phase 4 includes renovation and building infrastructure replacement at Apache-Santa Cruz Hall and Colonia de La Paz Hall.

**PREVIOUS BOARD ACTION:**

FY 2007 Capital Development Plan Amendment – June 2006

**PROJECT STATUS:**

- The purpose of the Residence Life Building Renewal projects is to extend the useful life of aging residential facilities, and reduce the risk of potentially disruptive system failures that would adversely affect both the health and safety of the occupants. Phase 3 and 4 with a total project cost of \$21,870,000, obtained Capital Development Plan approval in June 2006. The fire sprinkler system replacement at Cochise Hall was originally included in Phase 2, Part A, and received Project Approval at the March 2006 Board meeting with the goal to complete the project during the summer of 2006. The Joint Committee on Capital Review (JCCR) did not meet on time to approve the bond sale to facilitate this schedule and the budget. In order to maintain the \$3.9 million budget for Phase 2, Part A; Cochise Hall was reassigned from Phase 2A to Phase 3.
- The proposed plan for Phase 3 is to complete the work in Cochise Hall during the summer of 2007 and in Coronado Hall during the summer 2007 and 2008. The proposed plan for Phase 4 is to complete the work in Apache-Santa Cruz Hall and Colonia de La Paz Hall during the summer of 2009.
- The estimated project cost for Phase 3 is \$17.7 million and will be funded by System Revenue bonds with debt service paid from Residence Life Auxiliary Enterprise proceeds. The incremental debt ratio associated with this project is 0.09% for State (ARS) and 0.14% for ABOR. The projected highest UA debt ratios, including this project are 5.16% ARS and 8.22% ABOR.
- The estimated project cost for Phase 4 is \$4.17 million and will be funded by System Revenue Bonds with debt service paid from Residence Life Auxiliary Enterprise proceeds. The incremental debt ratio associated with this project is 0.02% for State (ARS) and 0.03% for ABOR. The projected highest debt ratios, including this project are 5.48% for State (ARS) and 8.68% ABOR.
- This project will utilize a Construction Manager at Risk delivery process. It is anticipated that a Guaranteed Maximum Price (GMP) contract will be executed and a Notice to Proceed will be issued in March. This provides time to order long-lead equipment so actual construction within the buildings can start immediately at the end of the spring semester when the students vacate the buildings. The work will be completed in time for the return of students for Fall Semester.

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**PROJECT JUSTIFICATION / SCHEDULE UPDATE:**

- The Department of Residence Life is committed to providing housing that promotes student success through interactive living and learning communities where students can thrive in a safe and supportive environment. Over 75% of the University's freshmen class is housed in residence halls. Residence Life is particularly concerned with helping students successfully transition from a home to a university environment. Consequently, Residence Life provides an extensive array of programs and services that intentionally focus on first-year learning communities. A primary part of its mission is to provide clean, comfortable, and memorable living spaces while promoting safety and security.
- Residence Life has implemented a plan to incrementally manage deferred maintenance and building renewal activities for its facilities during the past sixteen years. The Long-term Development Plan (LDP) is a five-year projection of deferred maintenance, building renewal, life/safety improvements and building enhancements that are necessary to maintain the high building standards required for a residential program. During the past sixteen years, Residence Life has expended over \$20.0 million on LDP projects. Priorities are based upon the urgency, availability of funding and the ability of staff and/or contractors to complete the work within allotted timeframes. Most projects are completed during summer periods in order to maintain bed inventory during the academic year.

**Updated Residence Life Building Renewal Plan / Schedule**

Phase	Schedule	Buildings	Approval / Status	Budget
1	2004	Arizona, Gila, Yuma	Completed	\$ 8,600,000
2	2006	Maricopa (Spring), Sonora	PA 2005	\$ 6,500,000
2A	2007	Manzanita-Mohave,	PA 2006	\$ 3,900,000
3	2007	Coronado (Part 1), Cochise	CDP 2006	\$ 9,000,000
3	2008	Coronado (Part 2)	CDP 2006	\$ 8,700,000
4	2009	Apache-Santa Cruz, La Paz	CDP 2006	\$ 4,170,000
Total				\$ 40,870,000

It is anticipated that projects would be constructed from May-August in the above-identified years unless otherwise noted.

**RECOMMENDATION/CONCLUSION:**

RESOLVED: That the Board grant Project Implementation Approval to The University of Arizona for the Residence Life Building Renewal, Phase 3 & 4 project.

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**Capital Project Information Summary**

**University:** The University of Arizona      **Project Name:** Residence Life Building Renewal, Phase 3 & 4

**Project Description/Location:**

Phase 3 focuses on the replacement of plumbing systems in Coronado Hall and the fire sprinkler system in Cochise Hall. Phase 4 focuses on the replacement of plumbing systems in Apache-Santa Cruz and Colonia de La Paz Halls.

	<u>Capital Development Plan</u>	<u>Project Implementation Approval</u>
<b><u>Date of Board Action:</u></b>	June 2006	September 2006
<b><u>Project Scope:</u></b>		
Gross Square Feet	N/A	N/A
<b><u>Project Schedule (Beginning Month/Year):</u></b>		
Planning	05/06	05/06
Design	07/06	07/06
Construction start	05/07	05/07
Construction completion	08/08	08/08
<b><u>Project Budget:</u></b>		
Total Project Cost	\$21,870,000	\$21,870,000
Direct Construction Cost	\$18,375,000	\$18,375,000
Total Project Cost per GSF	N/A	N/A
Construction Cost per GSF	N/A	N/A
Change in annual Operating/Maintenance Cost	N/A	N/A
<b><u>Funding Source:</u></b>		
Capital:		
Certificates of Participation	\$21,870,000	\$21,870,000
Debt Service: Auxiliary Enterprise		
Operations & Maintenance:	N/A	N/A
Auxiliary Enterprise		

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**Capital Project Budget Summary**

**University:** The University of Arizona      **Project Name:** Residence Life Building Renewal, Phase 3 & 4

	Capital Development Plan <u>Estimate</u>	Project Implementation Approval <u>Estimate</u>
	April 2006	August 2006
Date of Budget Estimate	April 2006	August 2006
1. Land Acquisition	\$ 0	\$ 0
2. Construction Cost		
A. New Construction	0	0
B. Renovation	14,400,000	14,400,000
C. Fixed Equipment	0	0
D. Site Development (exclude 2.E.)	0	0
E. Parking & Landscaping	0	0
F. Utilities Extensions	0	0
G. Other (Asbestos Abatement)	1,400,000	1,400,000
H. Inflation Adjustment	2,575,000	2,575,000
Subtotal Construction Cost	\$ 18,375,000	\$ 18,375,000
3. Consultant Fees		
A. Construction Manager	172,000	172,000
B. Architect/Engineering	1,140,000	1,140,000
C. Other (Asbestos Survey)	120,000	120,000
Subtotal Consultant Fees	\$ 1,432,000	\$ 1,432,000
4. FF& E Movable	0	0
5. Contingency, Design Phase	260,000	260,000
6. Contingency, Construction Phase	1,050,000	1,050,000
7. Parking Reserve	0	0
8. Telecommunications Equipment	0	0
Subtotal Items 4-8	\$ 1,310,000	\$ 1,310,000
9. Additional University Costs		
A. Surveys and Tests	65,000	65,000
B. Move-in Costs	0	0
C. Public Art	0	0
D. Printing/Advertisement	30,000	30,000
E. Other <sup>1</sup>	555,000	555,000
F. State Risk Management Insurance	103,000	103,000
Subtotal Additional University Costs	\$ 753,000	\$ 753,000
<b>TOTAL CAPITAL COST</b>	<b>\$ 21,870,000</b>	<b>\$ 21,870,000</b>

<sup>1</sup> Line 9E includes Project Management and Facilities Management costs.

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**Residence Life Building Renewal Project Locations:**

