

**Agendum  
Oakland University  
Board of Trustees Formal Session  
August 13, 2018**

**OAKLAND CENTER EXPANSION BUDGET ADJUSTMENT  
A Recommendation**

- 1. Division and Department:** Student Affairs, Oakland Center, Operations and Finance, Facilities Management
- 2. Introduction:** The Oakland Center is the most heavily used building on campus with annual foot traffic exceeding 1,662,000. The original structure, built in 1958, was expanded three times; in 1961, 1968, and 2003. Now totaling 140,000 square feet, the Oakland Center has once again reached its capacity and requires a fourth addition and renovation to accommodate a growing student population and student needs. To accommodate the need for additional space, in 2016 the Board of Trustees (Board) approved the Oakland Center Expansion (Project) at a total cost of \$46,635,000.

Subsequently, requests for construction upgrades by existing University partners requires the total Project cost to increase by \$691,974. Chartwells will fund \$558,874 for enhancements associated with the addition of Plum Market. Michigan State University Federal Credit Union (MSUFCU) will provide \$133,100 for requested enhancements and a new ATM kiosk. With these externally funded upgrades, the revised total cost of the Project will be \$47,326,974.

- 3. Previous Board Action:** On July 7, 2015, the Board approved the FY2016 General Fund budget, which included a debt service allocation for this Project. On September 28, 2015, the Oakland Center Planning Update was presented to the Facilities Committee. On December 2, 2015, the Board approved the Reimbursement Resolution for Capital Projects, whereby the University identified certain capital projects, including the Oakland Center Expansion, on which the University expected to expend funds prior to the issuance of tax-exempt debt obligations and to reimburse itself from the proceeds of those obligations upon their issuance in accordance with Treasury Regulations Section 1.150-2. On February 22, 2016, the Board authorized the issuance and delivery of General Revenue Bonds, Series 2016, totaling approximately \$124,000,000 (excluding estimated issuance costs and capitalized interest) for financing a portion of the Project and other projects. The Board also authorized the hiring of IDS/Workshop to provide Architectural and Engineering Services. On April 11, 2016, the Board authorized the hiring of The Christman Company to provide Construction Management Services. On August 8, 2016, the Board approved the schematic design and a total Project cost of \$46,635,000.
- 4. Budget Implications:** As part of a new ten-year food service agreement, Chartwells provided a \$4,000,000 capital investment for the Project and a \$1,500,000 purchasing rebate that is committed to the Project. In addition, \$1,135,000 of debt service contingency from the FY2016 and FY2017 General Fund

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budgets is committed to the Project. Bonds in the amount of \$40,000,000 provided the balance of funding for the initial total cost of \$46,635,000. The debt service for the bonds was included in the General Fund budget effective in FY2016. The increased funding of \$691,974 is provided by Chartwells (\$558,874) and MSUFCU (\$133,100) to arrive at the revised total cost of \$47,326,974.

5. **Educational Implications:** The Oakland Center serves as the center of campus life providing a physical environment for student engagement, co-curricular programs, campus-wide dining, and student support services that are essential to the overall academic experience. The upgrades requested by Chartwells and MSUFCU will enhance the services and experience within the Oakland Center.
6. **Personnel Implications:** None.
7. **University Reviews/Approvals:** This recommendation was formulated by the Director of the Oakland Center and the Associate Vice President for Facilities Management, and reviewed by the Vice President for Student Affairs, Chief Operating Officer, Vice President for Finance and Administration, and President.


**8. Recommendation:**

RESOLVED, that the total cost for the Oakland Center Expansion project be increased by \$691,974, funded by Chartwells and the Michigan State University Federal Credit Union, to a not-to-exceed budget of \$47,326,974 inclusive of all design, construction, furnishings, equipment, and project management; and, be it further

RESOLVED, that the Board of Trustees authorizes the President and the Chief Operating Officer, and their respective designees, to perform all acts and deeds and to execute and deliver all contracts, instruments and documents required by this resolution that are necessary, expedient and proper in connection with the Oakland Center Expansion and the ongoing administration of the project; and, be it further

RESOLVED, that said contracts, instruments and documents shall be reviewed by and be in a form acceptable to the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations and conform to the legal standards of the Vice President for Legal Affairs and General Counsel.

Submitted to the President  
On 8/13/2018, 2018 by

  
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Glenn McIntosh  
Vice President for Student Affairs



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Scott G. Kunselman  
Chief Operating Officer



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John W. Beaghan  
Vice President for Finance and Administration  
and Treasurer to the Board of Trustees

Recommended on 8/7, 2018  
To the Board of Trustees for Approval by



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Ora Hirsch Pescovitz, M.D.  
President