

FACILITIES MAINTENANCE RELOCATION / ACQUISITION

UNIVERSITY OF WISCONSIN
OSHKOSH CAMPUS
OSHKOSH
Agency Priority # 13

Recommendation: \$6,296,000
\$5,946,000 GFSB
\$350,000 PRSB
2007-2009

PROJECT REQUEST:

Enumerate \$6,296,000 (\$5,946,000 GFSB; \$350,000 PRSB) to purchase the former Cub Foods grocery store (55,900ASF/65,400 GSF) located on the west side of the Fox River, from Chamco, which is the industrial development arm of the city of Oshkosh. The UW-Oshkosh Foundation entered into a 5-year lease agreement, starting in January 2006, with the option to purchase. The property will be remodeled to house the university's Facilities Management, Central Stores, Document Services, and Postal Service departments prior to their summer 2007 move-in. The purchase price includes the land, building and all the remodeling and equipment necessary to convert the building from a former grocery store to a facilities department. The large parking lot is currently being used by parking services to address residence hall long-term parking and will continue in that use after the purchase.

RECOMMENDATION:

Defer the request. Given the available funding, other projects are of higher priority. Prior to returning to the Building Commission with a future request to purchase the facility the campus needs to obtain appraisals as required by the Building Commission Policy on property purchases.

ANALYSIS OF NEED:

In order to accommodate the construction of the new academic building, the occupants of the facilities management building have to be relocated to a different facility. This property, located on the west side of the Fox River approximately one-quarter mile from the main campus, became available for purchase in 2005. This facility is large enough and well suited to house existing occupants of the facilities management building, as well as other service functions such as postal and document service, currently located in Dempsey Hall and central stores, currently located in the facilities management building. The relocation of postal and document services out of Dempsey Hall will provide a benefit of freeing up additional needed administrative space in that building. Working with Chamco, the UW-Oshkosh Foundation has entered into a 5-year lease agreement that started in January 2006, with an option to purchase. The UW-Oshkosh Foundation plans to finance the renovations necessary to make the facility function for the planned university occupants.

This is one of five UW projects returning to the Capital Budget because it was not funded in earlier biennia. In this case the building to be purchased has changed, but the goal is the same - to remove the Maintenance Building to make room for the new academic building, and to get rid of the maintenance issues related to the old maintenance building. These projects require enumeration and UW System has requested funding for these projects from "All Agency" maintenance allocations because they address substantial repair and maintenance.

Two years ago the proposed solution for the relocation of the facilities management, central services, postal services and document sales was to put them into the northern 79,000 GSF of the 600,000 GSF AxelTech building. The remodeling budget for that project was \$6.3 million.

It is Building Commission policy to pay the average of two appraisals for a facility purchased by the state.

ALTERNATIVES:

1. Continue to rent the facility from the UW-O Foundation.
2. Build the new academic building somewhere else. Currently, no other open site on the main campus is large enough to accommodate this structure. However, options for the site of the new academic building will be reviewed during the planning of that project.
3. Approve the request, subject to confirmation of the value of the facility based upon appraisals.

CAPITAL BUDGET:

Purchase of the Facility is \$6,296,000, which would be \$96/GSF.

OPERATING BUDGET IMPACT:

The campus estimates a cost increase of \$83,260 for utilities.

ALTERNATE DELIVERY METHOD REQUESTED? Facility purchase.