

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 7 – A
DATE: May 13-15, 2024

SUBJECT

SDSU Larson Commons Renovations – Revised Work Request

CONTROLLING STATUTE, RULE, OR POLICY

[SDCL § 5-14-1](#) – Classification of Capital Improvements

[SDCL § 5-14-2](#) – Supervision by Bureau of Administration of Capital Improvement
Projects – Payment of Appropriated Funds

[SDCL § 5-14-3](#) – Preparation of Plans and Specifications for Capital Improvements –
State Building Committees – Approval by Board or Commission in Charge of
Institution

[BOR Policy 6.4](#) – Capital Improvements

[BOR Policy 6.6](#) – Maintenance and Repair

BACKGROUND / DISCUSSION

South Dakota State University requests approval of a revised work request for the Larson Commons Renovations project. The preliminary facility statement and original work request were approved at the October 5-6, 2022, meeting. In July of 2023 the building committee selected EAPC Inc. as the design consultant for the project, and in March 2024, the building committee selected Clark Drew Construction as the Construction Manager for the project.

In 2021, SDSU hired a dining facility consultant, Wachalski Advisory, Inc., to conduct a space study focused on the future needs of the all-you-can-eat dining facility, Larson Commons. The study included several comparable projects at other universities, encompassing new construction, renovation, and a combination of both, along with associated costs for each project. Based on this external assessment, it was determined that a renovation of the existing Larson Commons facility presented the most cost-effective option to meet student needs. In addition to the precedent studies, Wachalski Advisory surveyed students, faculty, and staff at SDSU regarding their perceptions of dining facilities and desired improvements. The project will follow the plan's recommendations

(Continued)

DRAFT MOTION 20240513_7-A:

I move to approve SDSU’s revised work request for Larson Commons renovations to increase the project total from \$9,500,000 to \$18,413,000 utilizing private funds, available auxiliary fund cash, and future bonding.

and be designed to address guest needs, dining service functions, accessibility, and deferred building maintenance.

There has been minimal investment in kitchen equipment and finishes since the building was constructed in 1969, apart from the commercial steam dishwasher, which will remain in use. Commercial kitchen finishes are both costly and require durability and ease of maintenance due to the high volume of diners. In addition, plumbing, HVAC, and electrical systems have seen limited upgrades since the building's inception. The air handler was replaced in 2019 and will remain in operation. The roof needs replacement due to its age. The average useful lifespan of a low slope roof is 20 years, and the existing roof is 21 years old. The current project cost estimate is \$18,413,000. The construction manager has begun evaluating the project for feasibility, phasing, cost, and value. Some of the larger construction line-item categories are listed below:

The renovation work will be conducted in two phases due to student demand for dining services provided through Larson Commons. Phase one will focus on renovations for a smaller concept kitchen on the first floor, west accessible entry addition, utility upgrades, and a portion of the new kitchen equipment. Completing this phase early will enable the utilization of the lower level to serve student meals while the larger second-floor kitchen undergoes construction in phase two. Additional temporary dining options will be provided to serve approximately 1,200 students displaced for daily meals and 8,200 displaced weekly for meals at Larson Commons, both of these figures are at an all-time high at SDSU. SDSU is currently studying locations for dining swing space. Existing tables and chairs will be used, and temporary freezer space will be provided to support the campus dining operations. Food preparation will be handled using existing commercial prep kitchens located in the University Union and Dana J. Dykhouse Stadium. Using existing equipment, furnishing, and kitchen space will minimize the cost associated with creating temporary dining space.

Funding for this project will come from three sources. A contribution from the food service provider will fund \$8,190,000 of the project, with an additional \$2,223,000 coming from existing university food service M&R cash. The final \$8,000,000 will be bonded within the next twelve months and the debt will be serviced by food service M&R funds. This investment in maintenance and repair aligns with SDSU and the BOR's goal of investing 2% in maintaining our facilities. Condensing the work for multiple needs (roofs, HVAC, electrical, equipment,...) into one project also improves efficiency and minimizes the number of disruptions to students.

IMPACT AND RECOMMENDATIONS

When approved in October of 2022, the estimated project cost was \$9,500,000 to be funded with \$8,190,000 from Sodexo and the remainder to be funded through existing university M&R cash. This revised project cost will require an additional \$8,000,000 beyond that which will be funded by bonding within the next twelve months.

	Original Funding	Revised Funding	Increase
Sodexo	\$8,190,000	\$8,190,000	\$ -
Existing M&R Cash	\$1,310,000	\$2,223,000	\$913,000
Bond Funds	\$ -	\$8,000,000	\$8,000,000
Total	\$9,500,000	\$18,413,000	\$8,913,000

The proposed project is consistent with plans for major renovations intended for SDSU’s older residence halls and dining service facilities. The project is identified in Phase I of the Residential Life and Dining Services master plan, which was approved by the Board of Regents at the October 2008 meeting. The recommendations in this statement are also consistent with the updated 2025 SDSU Campus Master Plan. The renovation of Larson Commons will ensure that the dining experience provided for students, faculty, staff, and visitors remains at a high level.

ATTACHMENTS

- Attachment I – SDSU Larson Commons Preliminary Facility Statement – August 2022
- Attachment II – SDSU Larson Commons Project Update

**Preliminary Facility Statement
Larson Commons Renovations
South Dakota State University
Prepared: August 26, 2022**

SDSU requests approval of this Preliminary Facility Statement and accompanying work request for a project to renovate Larson Commons. SDSU also requests exemption from the remainder of the Capital Improvement Process due to the nature of the project. The project will be limited to maintenance and repair of the existing facilities and upgrades to interior finishes, accessible pathways, equipment, and furnishings. SDSU also requests appointment of a building committee as required to select an architecture and engineering firm, construction manager, and to complete statutory requirements for bidding the project.

1. General programmatic needs to be addressed:

SDSU completed a dining master plan and Larson Commons Renovation planning in 2021. The study was prepared by Wachalski Advisory, Inc. The study found several deficiencies in the Larson Commons dining facility. In July of 2022 the regental system engaged a new food service partner, Sodexo Group. The University in collaboration with Sodexo Group would like to pursue a facility renovation as shown in the 2021 study in addition to programmatic changes to better meet current dining service standards and student needs. The dining services study identified projects to improve dining services to better serve the students, faculty, staff, and visitors who utilize Larson Commons. The project will include renovations to the dining hall, food service kitchen, food service support space, building service space, convenience store, and entrance. The renovations will address functional and aesthetic needs of the facility.

The following elements describe the proposed scope of the project. The project will include as many of these elements as funding allows.

- Add restrooms to the second level dining room
- Upgrade and renovate the commercial kitchen, food preparation areas, and convenience store
- Upgrade building utilities: electrical, domestic water, and sanitary systems
- Upgrade building systems: lighting, HVAC, controls, and exhaust
- Improve wayfinding and SDSU branding opportunities
- Improve entrance and flow of circulation for guests
- Replace all windows and curtain walls
- Upgrade the fire suppression (sprinkler) and alarm system
- Provide a new elevator near the main entrance to improve accessibility and ADA compliance, upgrade the existing elevator and freight elevator
- Replace doors throughout the building to improve access and security
- Update interior floor, wall, and ceiling finishes
- Roof Replacement
- Upgrade furnishings, fixtures, and equipment

SDSU anticipates the construction of this project will be accomplished from December 2023 to July 2024. The dining hall and convenience store will be closed while construction is in progress. Portions of the building may remain occupied during construction. The design and construction schedule will be developed to allow the dining hall and convenience store to be operational fall semester of 2024.

2. Analysis of the student body or constituents to be served:

The project will serve all students, faculty, and visitors who use the dining services facility in Larson Commons. The facility is connected to Young and Binnewies Halls and is located adjacent to most of the undergraduate residential housing facilities. The Dining Services Master Plan included a survey of guests and students and revealed a need to improve food quality and options. Upgrading the dining services kitchen and serving fixtures will improve their ability to provide a variety of food options.

3. Additional services to be offered:

The building HVAC and exhaust systems will be upgraded, accessible restrooms will be added to the second-floor dining area, elevator will be updated, a new elevator may be installed near the main entrance to improve accessibility. In addition, kitchen equipment, finishes, and guest circulation flow will be improved. The facility upgrades will create the opportunity to improve the variety and quality of food offerings, increase operational hours, and access.

4. Compliance with campus master plan:

The proposed project is consistent with plans for major renovations intended for SDSU's older residence halls and dining service facilities. The project is identified in Phase I of the Residential Life and Dining Services master plan. The plan was received by the Board of Regents at the October 2008 meeting. The recommendations in this statement are also consistent with the updated 2025 SDSU Campus Master Plan. The renovation of Larson Commons will ensure services provided for students, faculty, staff, and visitors remains high within our dining facilities.

5. Analysis of needs assessment based on the facilities utilization report:

The Dining Master Plan for Larson Commons includes survey information from students, recommendations for improved dining services, and analysis of facility maintenance requirements. The project will follow the plans recommendations and be designed to address guest needs, dining service functions, accessibility, and deferred building maintenance. SDSU intends to complete renovations to the building without constructing an addition but will examine the possibility of an addition to the building to address accessibility and building system needs (elevator installation and mechanical space for heating and cooling equipment).

6. Location:

Larson Commons is in the southeast quadrant of the SDSU main campus and is connected to Binnewies and Young Halls. Together with Brown Hall, Mathews Hall, Pierson Hall, Southeast Apartment and Town House complex, Jackrabbit Grove, and Jackrabbit Village complexes, that form SDSU's southeast residential community.

7. Reallocation of old space if any:

The project may require the relocation of the Federal TRIO program found in the lower level of Larson Commons. The existing space in the lower level may be needed for added dining, lounge, and study space to better serve the needs of students. Alternative locations for the TRIO program will be studied in the planning phases of the renovation project.

8. Proposed funding source/sources:

The design and construction of this project will be funded by auxiliary accounts and private funds from the Sodexo Group. Sodexo Group must provide \$8,190,000 for facility renovations per Section 3.3.D of the SDSU/Sodexo Group Contract.

9. Budget for development of a facility program plan:

SDSU is requesting this project be exempted from the submittal steps of the Capital Improvement Process due to the limited scope of the project which focuses predominantly on maintenance and repair, equipment, and furnishings. SDSU requests that a building committee be formed. Building committee action will be necessary to select an Architecture and Engineering design team, construction manager, and follow state mandated procurement laws. Building Committee action will also be needed to approve the guaranteed maximum price and construction documents.

The full scope of the project and estimated costs will be further refined with the selected design team and construction manager. An estimated project cost of \$9,500,000 was identified in the 2021 Master Plan for renovations to the facility. SDSU estimates the cost for design and construction management services will be \$1,600,000. The planning and design work request is included with this preliminary facility statement submittal. When the full project costs and funding are confirmed, the work request will be revised to reflect the full project cost prior to proceeding with design development and construction documents.

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Larson Commons Project Update

Planning began for upgrades to Larson Commons in 2021 when the University engaged Wachalski Advisory to conduct a needs assessment and space study focused on an all-you-can-eat dining facility at SDSU. This process included significant input from SDSU students as well as the university community to identify the best options for the future. Alternatives to Larson Commons were considered as part of this assessment. The result of this evaluation identified renovation of the existing Larson Commons facility was the best option for the University from a cost and student experience perspective. Larson Commons is situated between SDSU's two largest residence halls, Binnewies Hall and Young Hall, and within close adjacency to the residence halls within the southeast neighborhood of SDSU. SDSU has realized increased use of the Larson Commons dining facility in recent years, with upwards of 1,200 students eating in this facility and close to 800 students utilizing the Larson C-Store and sandwich shop, Erbert's and Gerbert's daily. This is approximately half of our students living in residence halls utilizing these dining facilities daily.

The scope of the project includes addressing programmatic needs to better meet current dining service standards and student expectations, enhancing life safety, accessibility and wayfinding, upgrading food service equipment, and hospitality furnishings. Additionally, the project encompasses upgrades to dining hall finishes, the food service kitchen, food service support space, building service space, and the west entrance. In addition to interior upgrades, the project will address deferred maintenance, building code, life safety, and accessibility needs of the facility. The upgrades to the building systems and envelope will promote the longevity of the building while also providing sustainable upgrades through energy efficiency, water use reduction, and sustainable materials. The project design process was conducted with an eye toward upgrading the existing facility in a cost-efficient manner. However, we do know that upgrading kitchen facilities is expensive, particularly when minimal upgrades have been completed over the 50-year lifespan of this facility and the escalating costs of construction are significant. Utilization of the newly updated dish machine is part of this project; however, significant upgrades are needed to bring this facility up to date. These upgrades are being proposed in a manner that will utilize durable equipment, finishes, and furnishings to extend the life of the facility long into the future while providing students with a modern, multi-functional space for dining, programming, studying, and socializing, enhancing student success.

To better accommodate students while the Larson Commons dining hall is under construction the project will be completed in two phases. To best accomplish this, the University and State Engineer's Office have determined that a Construction Manager at Risk (CM@R) construction delivery method would benefit the project. This approach will allow phase one construction to begin in the summer of 2024.

Phase one work will include:

- Main floor utility & life safety upgrades.
- Concept kitchen renovation.
- Upgrade the fire suppression (sprinkler) and fire alarm system.
- Add a west elevator & stair lobby to improve accessibility.

Estimated Phase One Cost: \$5,300,000

Funding Sources:

- | | |
|----------------------|-------------|
| • Sodexo Investment | \$3,420,000 |
| • SDSU Auxiliary M&R | \$1,880,000 |

Upon completion of phase one the main floor concept kitchen and C-store will be available to help offset the loss of the Larson Commons kitchen and dining room that will be renovated in phase two. Phase one

work will be completed in the spring of 2025. Completion in the spring will allow for adequate time to set up kitchen equipment and operational procedures in the concept kitchen in preparation for a fall 2025 opening.

Phase two work would begin in the summer of 2025, with anticipated completion in the winter of 2026. The work in the dining hall and main kitchen will require dining swing space to be developed in other locations on campus. Phase two construction will address the dining, commercial kitchen, commercial kitchen service, and utility upgrades, as well as address deferred maintenance items throughout the building.

Phase two work will include:

- Add second floor restrooms near the dining room.
- Renovate the commercial kitchen, food preparation areas, and service areas.
- Upgrade building systems: lighting, HVAC, controls, and exhaust
- Replace all windows and curtain walls.
- Connect the building HVAC equipment to the campus chilled water system.
- Improve wayfinding and SDSU branding opportunities.
- Replace doors throughout the building to improve access and security.
- Update interior floor, wall, and ceiling finishes.
- Roof Replacement.
- Upgrade furnishings, fixtures, and equipment.

Estimated Phase Two Cost: \$13,113,000

Funding Sources:

- | | |
|----------------------|-------------|
| • Sodexo Investment | \$4,770,000 |
| • SDSU Auxiliary M&R | \$343,000 |
| • Bond Funds | \$8,000,000 |

SDSU is currently working with the CM@R contractor to finalize bidding documents, identify any value engineering opportunities, and finalize cost-saving strategies.