

**UNIVERSITY MEMORIAL CENTER FOOD SERVICE RENOVATION
FEASIBILITY STUDY
November 24, 2008**

I. Introduction –

A. Summary

The original Food Service Commission, which was established by UCSU Legislative Council via 65EO#1 in October 2006, completed its work and submitted its report to UCSU Legislative Council in November 2007 with the recommendation that the UMC Food Service remain self-operated, thus maximizing student involvement. The Food Services Commission's work was then expanded to include the writing of this Concept paper and pursue a feasibility study for a smaller scale renovation of the UMC Food Services as outlined in 68LCB3#.

As the UMC prepares to serve the next generation of CU students, the Food Service Commission proposes a renovation of the UMC Food Service retail area. Specifically, the Alferd Packer Grill serving area, the surrounding dining seating areas, and Baby Doe's are addressed in this proposal. The Food Service Commission was specifically created to review previous Food Service renovation studies, previous market analysis, and work done by previous student review groups, and come up with a viable plan to update the dated food retail areas in the UMC. This proposal takes into account the work done over the previous four years which involved a concept of a full-scale renovation of the area, and scales it down to a proposed Phase I of potential multi-phased future projects in order to enhance the overall dining experience to CU students, faculty, staff, and guests while at the same time improving the program's operational ability, flexibility, sustainability, and financial success.

- The plan for the seating area is to selectively refinish the space, while improving the functionality. The renovation will create "neighborhoods" of seating breaking up the warehouse look today. New architectural finishes are planned to include paint, graphics, signage, flooring, ceilings, and furnishings. Additional power and access to outlets for laptops are planned, lighting modification, (both task and architectural) is also included.



– The grill and servery area needs to be revamped. The new concept opens up the various food concepts so that patrons can visually scan their options. Today, too many of the food options are difficult to find and segregated from each other. The plan is to open up the facility as much as possible. This brings an excitement and improved atmosphere to the area with additional light and visual cues.

This proposal is supported by the UMC Board, the UMC Administration, and the UCSU Food Service Commission. These first steps are necessary to bring the UMC Food Service to a higher standard of customer service, customer satisfaction, and financial stability.

B. Purpose

The main goals of this Food Service renovation include the five listed below plus an overarching goal that sustainability principles guides us in all of the decisions we make:

1. Develop ways to open up the front-of-house service space
2. Improve customer traffic/flow
3. Improve dining room seating efficiency
4. Improve ambiance throughout
5. Reconfigure Baby Doe's and establish a unique identity

These goals are designed to provide the UMC Food Services with the tools and environment to better serve the CU community, to operate more efficiently, and to increase financial profitability. A financially healthier food operation will be able to contribute to some of its own renovation cost and better position itself for future improvements to the facility and operations.

C. Program/Facilities Needs

The last time the UMC Food Service retail area received major renovation was in 1985. The needs of college students and other customers have changed dramatically in the past 23 years. Students are much more consumer savvy and value conscious than they were back then. Student values have also evolved into being more socially responsible and concerned about the global economy and global environment. Sustainability issues were practically unheard of back in 1985 and locally grown product desires were not on anyone's radar. Display cooking that has become the norm in much of the food industry neither was common nor designed into the Alferd Packer Grill kiosks. Flexibility to adapt to students' ever changing needs was not built into the operations. This project will take some of these issues into account and either address them directly or help plan them into future phased renovations.

The Alferd Packer Grill, or servery in the dining space needs a significant overhaul. The current configuration of space is functionally obsolete, making it extremely difficult to provide students with the quality and food types being requested. The infrastructure for food offerings needs to be more flexible so that the facility can adapt easily in the future and as students needs change. The equipment needs to be replaced and the ambiance in these areas will be improved while improving the functionality.



The north and east dining areas are of major concern. These areas are very dismal and the furnishings are uncomfortable. The atmosphere is uninviting and sends a very uncomfortable feeling throughout the space. The space lacks natural light, power for computing, areas for gathering, comfortable settings, flexibility, and is just plain outdated. Furniture and architectural finishes need to be selectively replaced. The "student warehouse" feel is one of the biggest complained about areas within the UMC.

The neighborhood concept is meant to break up the large expansive space. In lieu of using walls or partitions, the concept is to use varying furnishings, densities of seating, banners, and flooring and lighting patterns to create varying atmospheres within the space. Some may be conducive to larger group gathering, some to individual seating and others to any imaginable setting in between. Everything will be flexible so students can manipulate the furnishings to meet their individual needs. The variety will also allow for an increased occupancy level and improved use of the space. The ambiance and success in this area is key to the success of the entire food service operations.

Modification to the bussing stations is an important aspect of the renovations. Current configurations are labor intensive for the food service staff and not conducive to the encouraging patron to self-bussing tables. Today's students are interested in concept of 'zero waste' stations and trash receptacles and recycling stations are to be incorporated into the seating areas.

D. Space Needs Analysis

Goals and Objectives

The UMC Food Service supports the University's Campus Sustainability Plan. In keeping with that spirit this project will seek to incorporate environmental principles and environmentally responsible practices as fundamental and integrated components of all food service operations and programs.

The project leaders will work closely with the architects of this renovation project to ensure that environmentally sound measures such as efficient lighting and well insulated walls are given adequate thought. We will also ensure that equipment purchased to complement this project is energy efficient and environmentally friendly. This includes sustainable paint, furniture, sustainable flooring materials etc. Decisions and actions during this project will be guided by the University's Mission Statement, reflective of the University's resources, and informed by the University's Strategic Plan. As a learning institution, we recognize that planning for sustainability will be an evolving practice.

Objective 1: By **opening up the front-of-house** and entrances of the Alferd Packer Grill, visibility to the menu offerings will improve, as well as provide for a more inviting and welcoming atmosphere. For example, removing the cobalt blue tile existing wall could offer a more open and inviting environment which will, in turn, allow for a different placement of the cash registers and allow for better customer flow. A different display layout would also be possible as well as a review of how existing columns interact with the space. Beverage station placement would be evaluated to determine the proper mix of product and most efficient location. A review of how customers enter and exit the serving area would allow for a change of traffic flow efficiency.

Objective 2: By changing the **traffic flow**, better use of space can occur. Investigating self-serve pay station options may offer ways to improve the traffic flow of students moving through customer service areas and create a more convenient experience for all customers. Other creative means of moving customers from food choice areas to point-of-sale areas should be investigated. Improved signage would also help customers find their way to and around the service area and speed up the purchasing process. This signage would also result in more attractive and readable menu boards.

Objective 3: Improved **seating efficiency** would result in being able to accommodate more customers, thus positively affecting customer service and the Food Service bottom line. Currently the north and east dining rooms are equipped with many large and

inefficient five and six person seating round tables. These tables are often used by a single person, making the space look like there are no tables and seats available. Smaller two and four top tables strategically placed throughout the dining halls could improve the seating efficiency without adding any new dining room square footage. Smaller, more intimate seating arrangements will also be more conducive to conversation and engagement and provide less of a “large high school cafeteria feel”. Perhaps bar stool type seating and/or booth seating, and more soft seating will make the space more attractive, especially to students. Creating an atmosphere more conducive to studying, with additional power outlets for laptops will also be attractive to students. Redesigning the space to serve a multi-purpose function will facilitate students and student group interaction and encourage them to “have a presence in the space”.

Objective 4: Improved **ambiance** in general will make the space more appealing to customers. A different color pallet and softer lighting schemes will contribute to the space’s multi-purpose mission. Making bussing stations less of a focal point while keeping them conveniently located will also improve the ambiance of the space. A study of the ceiling grid to make the space more appealing would be appropriate. Improved lighting and displays will enhance the presentation of the food and contribute to increased sales. Adding greenery throughout the space could make it more attractive as well. Finally, breaking up the dining space with perhaps moveable partitions or by creating different levels of seating will help reduce the cavernous feeling of the dining areas.

Objective 5: The **Baby Doe’s** area is in need of an identity. The current schizophrenic configuration prevents it from being either a coffee shop, or a convenience store. A review of the Baby Doe’s product mix will help identify what physical changes, if any, will be needed to keep Baby Doe’s as a high volume/high customer count and convenient food outlet. Possible changes include more grab-n-go options, better pastry display areas, different types of coffees, and a general improvement of product presentation.

E. Proposed Facilities Response

The area proposed for renovation is the existing seating, circulation and servery in the UMC that were not remodeled as a part of the recent UMC addition. This area totals approximately 21,180 gross square feet, of which 14,680 GSF is currently seating area and circulation and 5,500 GSF is servery space. Although the total space does not change, the redistribution of space allocation within the area is anticipated. The final distribution of space will be determined during design. Since the west dining area was renovated more recently, it was decided this area be left as is.

Previous consulting teams recommended a redistribution of seat types to improve use. This will result in less seats, however a higher utilization. The seating projections provide for more stations of less seat counts (more two and four tops) complimented by lounge furniture in some areas. Although the total projected seats drop by about six percent, the utilization will increase at least ten, if not twenty percent. Providing options for seating, higher quality seating, and more comfortable settings, will improve utilization immediately. It will however, take up additional space per seat; requiring us to lower the seat count.



There are approximately 916 seats in the UMC dining area currently. The layout and arrangement of these seats is resulting in a lower than ideal occupancy for dining. Visual inspections show that although during peak times all tables are being used, many, and sometime 40% of the seats are not filled. This is due to the type of seating available. There are a high percentage of six top tables and seldom do 3-4 people sit at these stations. Average seat use is closer to 450-500 seats during peak times.

F. Conceptual Alternatives

There are few conceptual alternatives to provide the program envisioned. The UMC could remain with the status quo, and suffer declining revenues. Another alternative would be complete renovations to the existing facilities. This would deal with the larger infrastructure and production issues facing the UMC Food Service program, but is not financially viable at this time.

G. Anticipated Schedule

Feasibility Study	December 2008
UCSU Leg Council approval	January 2009
VCA approval of Study	January 2009
Advertise for A/E	January 2009
Pre-Qualification Meeting	February 2009
Submit Qualifications	Mid March 2009
Shortlist A/E	Mid March 2009
Interview A/E	End March 2009
A/E Selection By Board of Regents	April 2009
Negotiate Fee	April 2009
Execute A/E Agreement	May 2009
Design Start	May 2009
Design Complete	September 2009
Advertise for Bidders	Early October 2009
Pre-Bid Meeting	Mid October 2009
Bids Due	Early November 2009
Bid Review	Mid November 2009
Award Contract	End November 2009
Execute Construction Contract	December 2009
Pre-Con Meeting	December 2009
Construction Start	January 2010
Construction Complete	June 2010

2. Responsiveness to Boulder Campus Strategic Goals

A. Relation to Institutional and Facilities Master Plans

The *Campus Master Plan* identifies the UMC as “the primary gathering place on campus, as well as a point of contact between CU-Boulder and the Boulder community.” The master plan estimated that projected space deficit would be 64,000 ASF of which 32,500 ASF would be met by the addition then being planned. Thus, the plan identifies that there would be a deficit of space of 31,500 ASF at completion.

The master plan also noted that the UMC expansion anticipated that there would be expansion of the seating areas in the UMC but that this would not meet the demand for seating.

The campus's *Flagship 2030 Strategic Plan* states that:

"At the University of Colorado at Boulder, we accept both the public role and responsibility of a flagship, including the expectations of leadership, excellence in all we do, and commitment to the highest academic core values. We strive to promote the confluence of superb teaching, research, scholarship, creative works, and service that distinguishes a flagship university. In creating the following strategic plan, we have focused on our primary role as a national comprehensive research university. It is from this core identity that Flagship 2030 has evolved."

As a flagship institution, CU should have facilities and services that are of the highest caliber. Currently the UMC Food Services facilities do not meet these standards of excellence. This project will begin the process to bring them up to flagship standards. CU students and the rest of the campus community will benefit from an improved and affordable dining experience.

3. Health and Safety Issues

A. Program and Facilities Inadequacies

Major health and safety issues were corrected as a part of the UMC expansion project that was recently completed. Fire protection systems were extended or renewed throughout the area of work. Relocation of some of these systems will be necessary as a part of the renovation.

4. Quality and Capacity Impacts

A. Consequences if Project is Not Implemented

The consequences of not following through with this renovation would be that we would not be addressing the needs of our primary customer base. The UMC Food Service would continue to experience revenue declines and fall further behind in the race to keep our customers satisfied and returning. If the UMC Food Service continues its downward revenue spiral, it would be forced to look into lay off of state classified employees. It would also continue to have to face questions from student leaders as well as other customers, student and non-student, on why our food program is not up to par with its peer intuitions or with other local food competitors.

B. Alternative Solutions to Deliver Program

There are actually few, if any alternatives to addressing our Food Service experience dilemma. As mentioned earlier in this document, the issue is not simply a food services

one. When students especially think of the UMC, they are most often thinking of the Food Service operations. Their impressions of the UMC are very much tied to their experience with the Alferd Packer Grill, or with Baby Doe's, etc. If the food services image is not addressed, the entire UMC, and the operations, and departments in the UMC will also suffer.

If a renovation was not approved for whatever reasons, we could possibly look at simply addressing our aging equipment needs. Though this approach would be much cheaper and provide some relief to the UMC Food Service, it would not begin to address the other issues identified in this feasibility such as the lack of flexibility in our operations, the dull and unexciting appearance of the AP Grill, etc., etc.

Doing nothing is an unrealistic option for the UMC. This option would guarantee not only financial disaster for the UMC, but would also not make us a very good service provider to our students, faculty, staff, and guests. We would not be meeting the goal of providing excellent service as provided in the Student Affairs guiding document. We would also make the UMC an uninviting place, thus not meeting the Student Affairs goal of building community. We would fall extremely short of meeting the University's goal of being a first class institution providing first class services to our students.

5. Evidence of State Award for Excellence

As a University auxiliary, the UMC Foodservice operations are not eligible for a CCHE Award of Excellence.

6. Financial Feasibility Budget

Financial Cost Model

The UMC administration and UCSU legislature reviewed potential funding sources and financing options for the renovation and established that a project in the range of \$2,000,000 would be reasonable to finance based on anticipated operating revenues, cash reserves and additional student fees.

The Office of Facilities Planning reviewed the scope of work for this project and compared it to other food service renovations that have occurred on campus. The review indicated that the proposed scope of work now considered will likely cost between \$1,950,000 and \$2,000,000 at the time of construction. For the purposes of this study, the financial analysis assumes a likely cost of \$2,000,000.

UMC Food Services - Alferd Packer Servery & Seating Areas

October 9, 2008

Project Cost and Financing

	Cost per GSF	Total Project Cost	Prior Appropriation	Future Request FY 2009 - 2010	Future Request FY 2010 - 2011	Future Request FY 2011 - 2012	Other Future Requests
A. Land Acquisition		\$0					\$0
B. Professional Services							
1. Master or Program Planning		\$0					\$0
2. Architect / Engineer (bldg.)		\$159,111					\$159,111
3. Architect / Engineer (other)		\$88,400					\$88,400
4. Construction Management		\$42,342					\$42,342
5. Code Review		\$0					\$0
6. Site Information and Tests		\$10,423					\$10,423
7. Other ()		\$47,500					\$47,500
8. Total Professional Services		\$347,776	\$0	\$0	\$0	\$0	\$347,776
C. Construction							
1. Building							
a. New (0 GSF)		\$0					\$0
b. Renovate (19,800 GSF)	\$66.43	\$1,315,392					\$1,315,392
c. Demolish (0 GSF)		\$0					\$0
d. Hazardous Materials		\$29,700					\$29,700
e. Other		\$26,743					\$26,743
2. Site Work		\$0					\$0
3. Landscaping		\$0					\$0
4. Utilities		\$1,980					\$1,980
5. Other ()		\$0					\$0
6. Total Construction Cost		\$1,373,815	\$0	\$0	\$0	\$0	\$1,373,815
D. Equipment and Furnishings							
1. Equipment		\$60,000					\$60,000
2. Furnishings		\$25,000					\$25,000
3. Communications		\$0					\$0
4. Other ()		\$0					\$0
5. Total Equipment Cost		\$85,000	\$0	\$0	\$0	\$0	\$85,000
E. Miscellaneous							
1. Art in Public Places		\$0					\$0
2. Relocation Costs		\$8,500					\$8,500
3. Project Contingency		\$180,659		\$0	\$0	\$0	\$180,659
4. Total Miscellaneous Costs		\$189,159	\$0	\$0	\$0	\$0	\$189,159
F. Total Cost		\$1,995,750	\$0	\$0	\$0	\$0	\$1,995,750
Source of Funds:							
Capital Construction Funds							
Capital Construction Funds -- Exempt							
Cash Funds							
Cash Funds -- Exempt		\$1,995,750	\$0	\$0	\$0	\$0	\$1,995,750
Federal							

Fiscal Plan Model

A renovated UMC Food Service would result in an increase in efficiency and service, but not necessarily in a large increase in net revenues. By design, the UMC Food Service strives to keep its pricing as low and student friendly as possible, thus significantly impacting its ability to generate large amounts of net revenue.

The preliminary cost estimate for this Phase I project is approximately two million dollars (\$2,000,000). Though more accurate funding models will be created as the project progresses, a preliminary view of the repayment plan could consist of the following five-year payback schedule:

Project cost inclusive of hard and soft cost:

Estimated cost of project:	\$2,000,000
Paid for by UMC Reserves:	(\$500,000)
Paid for by UCSU Sustainability Funds ¹ :	<u>(\$100,000)</u>
Amount financed via CU Treasury loan²:	\$1,400,000

Amount financed with a 2% loan cost added: **\$1,428,000**

Five year annual payback schedule at 4.00%:

Annual loan payment:	\$317,949
Less contributions from annual Food Service net revenues:	<u>(\$50,000)</u>
Annual payment from Student Fees:	\$267,949

Approximate Student Fee needed per student per semester: \$5.00

It is estimated that in order to accomplish this project, an increase in the student fee of \$5.00 per student per semester for five years would be necessary. Preliminary indications are that students would be willing to pay this amount for a 5 year period versus a longer term, 20-year period, which is more customary when bonding capital construction projects.

7. Assessment of Positive and Negative Issues Related to Project

A. Environmental/Ecological

The students of the University of Colorado are committed to sustainable design in all of their facilities. The UCSU Legislature has passed legislation requiring that all facilities obtain LEED certification Gold or Platinum level. It is likely that a LEED-NC Silver rating could be obtained for this project but not the higher Gold or Platinum ratings without greatly expanding the scope of work and adding substantial cost. This feasibility study assumes that the higher ratings will not be required.

B. Open Space/Site Development

This is an internal project; therefore there will be no direct effect on any outside open spaces.

C. Fit with Adjacent Program and Facilities:

The UMC is located in a central campus location with good access to the community of Boulder. Renovation of the food service operations is an appropriate fit with the adjacent programs and facilities.

¹ Possible UCSU sources of funding include: Sustainable CU, the Energy Efficiency Fund, and the Energy and Climate Revolving Fund.

² CU System Treasury Loan will require approval from the UCB Senior Vice Chancellor as well as from the CU System Treasurer.

D. Compatibility with Campus and Community Neighbors

There will be no major change in the relationship of the UMC to campus and community neighbors. The UMC serves as a strong outreach arm of the university, hosting many campus and community events. Improving the food service operations can only serve to enhance the outreach functions of the center.

E. Transportation/Traffic

This project has minimal impacts on transportation and traffic issues. There are no proposed renovations of the exterior facilities/

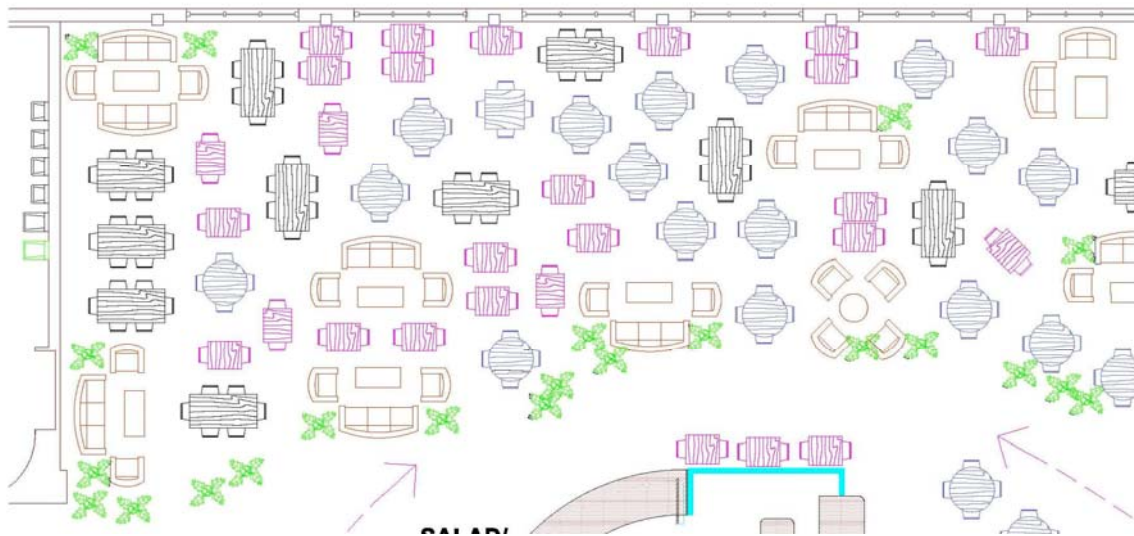
F. Political/Legal

There are no external political and legal issues anticipated with this project.

Plans/Sketches/Diagrams

New Plan – 1st Floor Kitchen and Dining

The April 2006 Food Service Needs Analysis and Cost Estimate reviewed the existing conditions of the area of the proposed renovations. The overall scope of work was more extensive that is currently proposed, but many of the design concepts for the servery and dining areas are considered viable. The following plan diagrams are provided from the report as a general concept for the current proposal.



Example of Seating Variations – North Dining Room

Prepared in conjunction with UCSU Food Service Commission:

Piers Blyth, UMC Board Chair (Chair)
Sara M. Davine, UCSU Tri-Executive
M. Boyce Postma, UCSU Legislative Council President
Chance Heath, UCSU Rep. At-Large
Lauren Swisher, UCSU Rep. At-Large
Jill Sundby, UMC Board Member
Lindsay Booth, Environmental Board Rep. to UMC Board
Amy Harris, UCSU Sustainability Director
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