

Mayville State University, February 23, 2012 SBHE Meeting

Authorize MaSU to expand the Agassiz Hall Renovation project by \$30,000 from \$3,745,000 to \$3,775,000, with funds from campus housing reserves; and furthermore, seek Budget Section authorization for the increase in project scope consistent with NDCC 48-01.2-25.

Project Description

Agassiz Hall is a three story residence hall facility consisting of a west wing and a north wing connected by a common lobby area. The renovation of the facility was phased to reduce the impact on students and revenue caused by displacing students. The renovation of the west wing began in June 2010, and the north wing renovation began in January 2011. Students reoccupied the west wing in January 2011, and the building was fully occupied by students beginning in August 2011. The construction work in the building has been substantially complete for a number of months, but completion of outstanding general contractor punch list items and project close out processes remain. The general contractor has not been actively engaged in the project since June, and his outstanding obligations have been contracted to an area contractor but progress is slow because of the need to work around students.

In January, Mayville State performed a reconciliation of the project architect cost records to Mayville State cost records. The increase in project funding authority will meet all recorded project costs and provide a \$19,000 contingency for unforeseen expenses as the project is completed.

Background

The original scope of the project was to convert Agassiz Hall (1969), a traditional 40 year old dormitory into double occupancy suites, and double occupancy apartments. The Renovation included complete replacement of ventilation, plumbing, and electrical systems. Central air conditioning was also included in the project. The building exterior walls and windows were upgraded to provide improved energy savings, funded through a Department of Commerce grant , and will achieve an energy savings payback within approximately 8 years.

The renovation project reduced occupant capacity from 228 to 144 beds in Agassiz Hall. Total campus-wide capacity is 294 in the three campus residence halls.

The original project funding was provided from the issuance of Housing and Auxiliary Facilities Revenue Bonds funded by net revenues from housing and Campus Center operations. Mayville State has 3 residence hall facilities, Agassiz Hall, Berg Hall and Birkelo Hall. The Campus Center houses the campus cafeteria, snack bar, bookstore, swimming pool and a variety of meeting rooms and study lounges. The residence halls and the Campus Center, all financed through revenue bonds funded from student fees and room and board charges, had no outstanding bond obligations.

Mayville State was awarded an A- credit rating from Standard and Poor's Rating Services.

Consistency with Campus Facility Master Plan and Budget

The Mayville State University 2008 Campus Master Plan included the Agassiz Hall Renovation as the campus Number 2 non state funded project at a projected cost totaling \$3,668,500.

SBHE and/or Legislative History

Mayville State University's Agassiz Hall Renovation Project was included in the NDUS 2009-11 Major Capital Project Ranking as a non-state funded project recommended for approval to the 2009 Legislature. Senate Bill 2003 (2009), Section 26 authorized the issuance of bonds in accordance with Chapter 15-55 of the North Dakota Century Code, in an amount not exceeding \$3,668,500 for the purpose of financing the renovation of Agassiz Hall on the campus of Mayville State University.

December 17, 2009, The State Board of Higher Education of the State of North Dakota gave preliminary approval for the issuance of up to \$3,668,500 Mayville State University, Housing and Auxiliary Facilities Refunding Revenue Bonds.

January 21, 2010, Mayville State University's Resolution Approving the Issuance of Not to Exceed \$3,668,500 State Board of Higher Education of the State of North Dakota, Mayville State University, Housing and Auxiliary Facilities Revenue Bonds, Series 2010 (Build America Bonds – Direct Payments) was approved by the North Dakota Board of Higher Education.

September 15, 2011, the SBHE ratified the Chancellor interim approval to expand the Agassiz Hall Renovation project by \$76,500 from \$3,668,500 to \$3,745,000, from ND Department of Commerce ARRA funding. In addition, approve a funding source change of \$64,300 from institutional local funds. Furthermore, authorize MaSU to seek Budget section approval per NDCC 48-01.2-25.

On September 15, 2011, the Budget Section approved the Mayville State University requests to increase the project authorization of the Agassiz Hall (\$76,500 from a Department of Commerce ARRA energy award) pursuant to Section 48-01.2-25 and to change the funding source for a portion of the costs of the project (\$64,300 from revenue bond proceeds to local funds) pursuant to Section 15-10-12.3.

Estimated Total Purchased or Donated Costs (ALL costs should be included in the estimate, unless specifically noted otherwise). \$3,775,000

	Revised Approved Amount	Proposed Amount
Planning, Permits and Insurance (design costs associated with current project, OMB preplanning revolving funds, architect and engineer fees, permits, insurance)	\$292,000	315,000
Land/Building Preparation and Purchase or Donated Costs (land acquisition and site preparation/development)	\$0	0
Demolition and Disposal	\$0	0
Construction (foundation and building construction or renovation, including fixed equipment, landscape, infrastructure and utilities, mechanical and electrical, parking and driveways or roadways)	\$3,073,000	3,067,000

Institutional work (value of work completed by institutional trade staff)	\$0	0
Furniture, Fixture and Equipment (FF&E)	\$158,000	158,000
Contingency	\$18,700	19,000
Hazardous Material Abatement	\$142,000	155,000
Other, including 3 rd party costs *	\$61,300	61,000
TOTAL	\$3,745,000	3,775,000

No other work, other than that specified within this request, is required for the completion of the project not is other work planned to supplement this project using funding or authority not included within this request.

*Series 2010 housing revenue bonds issue costs totaling \$61,000

Future Operating/Improvement Costs and Funding Sources

Staffing, operating and debt service costs will be paid from student housing fees.

Utility expenses are included in the appropriated utility budget.

Source and Availability of Funds (including FF&E)

Total Sources of funding:

Revenue bond net proceeds	\$3,604,200
Agassiz Hall local funding	94,300
ND Dept of Commerce ARRA Energy Award	<u>76,500</u>
Total Project funding	\$3,775,000

The \$30,000 additional spending authority will be funded from housing reserves. The December 2011 reserve balance was \$300,318.

Estimated Project Timeline and Completion Date

The renovation of the west wing began in June 2010, and the renovation of the north wing began in January 2011. The building was fully occupied by students beginning fall semester 2011. The construction work in the building is substantially complete but outstanding punch list items and project close out processes remain. Projected completion date is March 31, 2012.

NDSCS, February 23, 2012-SBHE

902.3: NDSCS requests authorization to expand the size of the Bisek Hall expansion project from 54,900 GSF to approximately 65,600 GSF; furthermore, seek legislative Budget Section approval per NDCC 48-01.2-25.

Project Description

The Bisek Hall (which houses the diesel technology center) expansion project, has evolved through the planning stages from the 2009 preliminary design phase which helped create a concept and budget for the project. In the summer of 2011 an architect was hired to begin the detailed programming and development of the schematic design, in cooperation with campus building committee. Through that more detailed planning effort, it has been determined that the building addition would expand from approximately 54,900 GSF to approximately 65,500 GSF, an additional 10,600 GSF, without an increase in overall project cost.

This change is due to two primary adjustments to the design.

- Add 4,200 GSF space in the new addition in lieu of renovating 4,200 GSF in the existing building, as originally planned. The initial proposal consisted of renovation of an existing shop to create a new entry, offices and conference room space as well as renovation of an existing wash bay. Due to the continued growth of both the program enrollment and the equipment size required for the program, it was determined that it was the best long term decision to not eliminate existing shop and wash bay space. It is estimated that the cost of the renovated space as originally designed and the revised added space are roughly equivalent.
- During the more detailed shop and classroom design it was determined that the ideal learning environment requires an additional 6,400 GSF of classroom and shop auxiliary spaces in the building. This consists of each: 1.) increase the size of each of the three classrooms by 300 sf larger (from 700 to 1,000) to enable room at the front of the classroom to utilize large training aids to enhance the learning experience; 2.) create larger work and tool rooms as well as more adequate storage for the increasing technology required equipment required in order to train today's technician as follows: a.) A resource room in each of the three labs that are 200 sf each for computer related equipment for each shop area and classroom. Each of the three tool rooms is 180 sf larger; b.) Added designated machining room at 900 sf.; c.) An additional 800 sf storage space for each of the three lab spaces; d.) An addition of a work room for each of the three lab spaces that are approximately 360 sf each.

Based on an average \$107 to \$110 sq ft cost the additional 6,400 GSF (65,600-54,900) is approximately \$685,000-\$704,000 (less \$450,000 estimated cost of added space in lieu of renovation noted earlier).

Even with the added space, NDSCS fully intends to remain within the authorized budget of \$10,500,000. The change in size, without added total cost, is due to the following factors:

- The square foot costs for the initial proposed renovated space, compared with adding this space to the new construction instead, would essentially be the same and not change the overall budget.
- The preliminary design from 2009 was based on estimated construction costs in a future market. Based on research of today's market, and discussions with contractors and precast manufacturers, the expanded design fits within the authorized budget.
- Various alternates have been designed into the project to potentially reduce costs and size of the building, if the bidding climate changes between now and the bid opening. One primary alternate would be the reduction in building size of 3,000 GSF, thereby eliminating construction of one small auxiliary shop bay and a large storage room.

Overall, it is estimated that the cost of the original project would be about \$10,300,000, and with the proposed changes, the estimated cost is \$10,500,000, allowing NDSCS to remain within the legislative authorization, but adding necessary space and functionality to meet program demands.

This project consists of the renovation of and addition to Bisek Hall. It also includes the reconstruction of the NDSCS parking lot #4 to the north of the building to enable an equipment test driving area.

Add 65,600 GSF to existing facility thereby allowing for:

- Increased enrollment capacity within four years will be 80 students. Forty additional diesel technicians will graduate each year. Current trends would indicate that 27 new diesel technicians will be employed in ND each year, bringing our average number to 66 each year.
- Increased capability-this expansion will advance and enhance the curriculum offerings, which in turn will produce a more knowledgeable and skillful technician. Classroom and labs will be state of the art and allow training on the most current technology. Safety concerns will be addressed with larger doors, overhead cranes, proper exhaust systems and test benches layout in open and uncluttered areas.
- Educational environment – this expansion will provide the diesel students an academic facility that will be comparable to today's industry standards. Today's equipment will no longer fit into the current facility. Today the machines have electronic and hydraulic capabilities which are truly amazing and technology marches on as equipment is tracked in real time via satellite, troubleshoot via laptop and electronic connections and even have equipment which is operated by computer instead of humans.

Renovation of existing building would consist:

1. Relocation of existing main entrance and office space
2. Expand current wash bay and redesign for new dyno bay
3. Misc. mechanical and cosmetic updates

Consistency with Campus Facility Master Plan and Budget

This project is listed in our current Campus Facility Master Plan, and was NDSCS's number two ranked major capital project request in the 2011-13 budget, behind Old Main renovation.

SBHE and/or Legislative History

Project was funded in HB1003 (2011) at \$10,500,000 in state general funds.

On May 9, 2011, the SBHE approved NDSCS request to proceed with addition to and renovation of Bisek Hall of \$10,500,000, with \$10,300,000 from general funds and \$200,000 from other funds. Furthermore, request authorization to seek up to \$5.0 million in instructional equipment donations from industry partners in support of programs located in the facility, based on 54,900 sf.

Estimated Total Purchased or Donated Costs (ALL costs should be included in the estimate, unless specifically noted otherwise).

Planning, Permits and Insurance (design and preplanning costs, architect and engineer fees, permits, insurance, commissioning)	\$680,000
Land/Building Preparation and Purchase or Donated Costs (site survey and soil testing)	\$8,000
Demolition and Disposal	\$225,000
Construction (foundation and building construction, infrastructure and utilities, mechanical and electrical)	\$8,437,000
Furniture and Equipment (fixed or movable appliances, furniture and equipment)	\$545,000
Other third party costs	\$0
Institutional work (value of work completed by institution staff and billed to the project)	\$0
Contingency	\$600,000
Hazardous Material Abatement	\$5,000
Subtotal	\$10,500,000
Other (please describe) Misc. donated instructional equipment from partners	\$5,000,000
TOTAL	\$15,500,000

No other work, other than that specified within this request, is required for the completion of the project nor is other work planned to supplement this project using funding or authority not included within this request.

Future Operating/Improvement Costs and Funding Sources

There will be future operating cost increases as a result of this project. There is \$300,000 operating costs to the building per biennium, excluding utility cost increases. A special request

will be made for related utility costs in the 13-15 biennium budget, which based on current rates, and expanded square footage, would be \$65,000-70,000 more per year.

Source and Availability of Funds

The funding for this project will be \$10.3 million from the State General Funds, and up to \$200,000 from the NDSCS Foundation. Donated instructional equipment funding of up to \$5.0 million will be provided from NDSCS business partners.

Estimated Project Timeline and Completion Date

Project is slated to be completed in the Fall of 2013.

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NDSCS, September 1, 2011-SBHE

Authorize NDSCS to proceed with the \$1,200,000 renovation of the NDSCS Football Complex to be funded not less than \$250,000 from private funds, up to \$910,000 from auxiliaries and a contribution of \$40,000 from bookstore partner (Validis); furthermore, authorize NDSCS to proceed to the Budget Section for a change in project funding source per NDCC 48-01.2-25.

Project Description

The Football complex renovation would include; public restrooms, concession stand, new locker rooms, coaches offices, a training room and storage rooms, booster club and a retail store. Also included is the renovation of front of stadium entrance.

The restrooms do not meet current ADA standards. Moisture is penetrating through the cracks in the joints and affecting the inside of the entire complex. The concession area, booster room and retail store spaces are dated and inadequate and will be updated. The current locker rooms have moisture and mold issues due to deterioration of the original roofs. This moisture has begun to cause structural damage to the roof support beams as well. There is inadequate coach's offices and insufficient storage space located in this complex. There is also no training room located in this area.

Consistency with Campus Facility Master Plan and Budget

This renovation project is discussed in our current Campus Facility Master Plan.

SBHE and/or Legislative History

The complex is thirty-nine years old and is well past its prime. The Football Stadium and Track were replaced during 2007-09 Biennium, utilizing a similar funding model.

SB1003 (2011) authorized \$1.5 million in private fund sources for the football complex.

Permission was sought and granted from the SBHE to proceed with \$1.5 million fundraising efforts related to this project in November 2010. At that time, it was anticipated that the \$1.5 million project would be fully funded by private sources; however, due to deterioration of the facility the renovation must proceed now, before all private funds can be raised.

Estimated Total Purchased or Donated Costs

Planning, Permits and Insurance (design and preplanning costs, architect and engineer fees, permits, insurance, commissioning)	\$85,000
Land/Building Preparation and Purchase or Donated Costs (site survey and soil testing)	\$5,000
Demolition and Disposal	\$75,000
Construction (foundation and building construction, infrastructure and utilities, mechanical and electrical)	\$855,000
Furniture and Equipment (fixed or movable appliances, furniture and equipment)	\$50,000
Other third party costs	\$0
Institutional work (value of work completed by institution staff and billed to the project)	\$0
Contingency	\$80,000
Hazardous Material Abatement	\$50,000
Other (please describe)	\$0
TOTAL	\$1,200,000

No other work, other than that specified within this request, is required for the completion of the project nor is other work planned to supplement this project using funding or authority not included within this request.

Future Operating/Improvement Costs and Funding Sources

This complex is operated on local funds.

Wahpeton Public School District (lessee) shall pay, by the beginning of each new fiscal year, beginning with July, 2012, and continuing each year throughout the term of this 20 year Agreement, the sum of \$16,572.00, as and for the rental of the premises. Lessee will pre-pay the first two years of rent when the rental agreement is signed by all parties. These funds will in part be utilized in the on-going deferred maintenance of these facilities.

Source and Availability of Funds

The costs will be covered as follows:

Private funds-cash on hand	(not less than) \$250,000
Vendor contribution increased by \$10,000	\$ 50,000
Auxiliary Reserves from dining services and bookstore	(not to exceed) \$910,000
{current reserve balances: dining services \$1.9 million and bookstore \$1.375 million}	

If NDSCS can generate additional private funds for the project prior to completion, the funding from auxiliary reserves will be reduced.

Estimated Project Timeline and Completion Date

Project is slated to begin design work fall of 2011 and completion of project by December 2012.