

Dakota College at Bottineau, June 17, 2010

902.3 – REQUESTED ACTION: Ratify Chancellor's interim authorization to seek Budget Section approval for a change in cost and scope of the Dakota College at Bottineau Entrepreneurial Center for Horticulture (ECH) project from \$2.0 million to \$700,000, to be funded from federal (\$350,000) and private (\$350,000) grants; further, SBHE authorize DCB to proceed with construction, contingent on Budget Section approval.

Project Description

Project involves the erection of nine high tunnel greenhouses and construction of a washing/packing/processing facility. This project will provide the Entrepreneurial Center of Horticulture with the facilities needed for a vegetable production demonstration site and learning center.

This capital project supports the goals of the DCB Center of Excellence (COE) Project **Entrepreneurial Center for Horticulture**. The COE project calls for the Entrepreneurial Center for Horticulture to be a demonstration site for production and marketing of specialty vegetables. Without the greenhouses it would be impossible for DCB to produce the specialty crops. Therefore, meeting the goals of the COE proposal are contingent on the construction of the greenhouses and the pack/wash facility.

Consistency with Campus Facility Master Plan and Budget

Project is identified on page 34 of the 2008 campus master plan and is consistent with the Legislative authorized ECH project budget of \$2,000,000. This project has been reduced in scope from the original project plan of \$2,000,000 to the current estimated cost of \$700,000.

The following items have been removed from the original \$2.0 million project scope of work:

- Construction of a classroom building on the DCB campus - (this was eliminated from the plans as the current structures at DCB will meet the needs)
- Remodeling of existing greenhouses – not necessary since this project was funded with general funds
- Construction contingency was significantly reduced
- Construction of permanent greenhouse structures (replaced with high tunnels which are less expensive to erect)

SBHE and/or Legislative History

The project was listed on the SBHE capital projects list for the 2009-11 budget request. SB2003, Section 1, Subdivision 12 provides the Special Fund Authority for ECH activities at DCB.

In September 2008, the SBHE approved a Centers of Excellence funding allocation to DCB as follows:

Minot State University Bottineau – Entrepreneurial Center for Horticulture

Amount Recommended: \$400,000

Amount of Match: up to \$830,854

Proposed Private Sector Partners: North Star Organic Farm, North Dakota Farmers Market and Growers Association

Proposed Job Creation: 100

Center Designation: Commercialization

Summary: The Entrepreneurship Center for Horticulture will: 1) provide research and demonstration of high-skilled production methods; 2) expand and provide new opportunities for product commercialization and distribution networks in North Dakota and the region; and 2) provide the technology transfer necessary to make these business opportunities flourish.

Estimated Total Purchased or Donated Costs

The following costs are included within the \$700,000 request:

Design and preplanning costs, architect and engineer fees, permits, insurance, mechanical and electrical, third party costs, contingencies, value of work completed by institution staff and billed to the project and all other costs, including costs not included in the project request.

Planning, Permits and Insurance (design and preplanning costs, architect and engineer fees, permits, insurance, commissioning)	\$50,000
Land/Building Preparation and Purchase or Donated Costs (site survey and soil testing)	\$2,500
Demolition and Disposal	\$
Construction (foundation and building construction, infrastructure and utilities, mechanical and electrical)	\$637,500
Furniture and Equipment (fixed or movable appliances, furniture and equipment)	\$
Other third party costs	\$
Institutional work (value of work completed by institution staff and billed to the project)	\$
Contingency	\$10,000
Hazardous Material Abatement	\$
Other (please describe)	\$
TOTAL	\$700,000

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

It is anticipated that additional operating cost, associated with this project, will be less than \$2,000 (water and electricity) and will be paid by the ECH using grant funds.

Source and Availability of Funds

Federal grants of \$350,000 and private grants of \$350,000. All funding has been obtained.

Estimated Project Timeline and Completion Date

Project to commence in July of 2010 and completed by August 2013.

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