

**SBHE June, 2010****REQUESTED ACTION:**

Ratify the Chancellor's interim action authorizing MiSU to seek Budget Section approval to increase Phase I of the Health & Wellness Center project from \$10,924,000 to \$12,770,000, and following Budget Section approval authorize MiSU to proceed with the project to be funded from \$1,305,000 in institutional funds and \$541,000 from private funds collected over a period of years; however, should the private funds not materialize as noted, MiSU would utilize institutional reserves for the balance, if needed.

**PROJECT DESCRIPTION:**

**Phase I**, originally approved by the SBHE in September 2009, provides a logical home for the student fitness center and student activities that started in Swain Hall at the request of students and was funded with student fees approximately ten years ago. The Health and Wellness Center (Phases I and II) is a concept designed to incorporate all aspects of a campus devoted to fostering education on health-related majors and healthy lifestyles in modern state-of-the-art facilities. It will do this by bringing together related programs into a new facility that will promote a synergistic sharing of ideas.

Attached to the SW quadrant of the Dome it will be home to the student fitness center, displaced from Swain Hall, activity courts for basketball, volleyball, floor hockey, and other activities. It will also contain space for fitness classes, weight lifting, cardio equipment, spinning classes, intramurals, personal training, rock climbing, student dances, and other student activities.

This request seeks to **expand Phase I** to:

- Construct a skywalk to connect the Wellness Center to Swain Hall;
- Install a climbing wall;
- Provide additional fitness and office equipment that was not adequately provided for in the original \$10 million project estimate;

Phase I is projected to become operational in the Fall of 2011.

**Phase II**, which will be requested in the future and to is be located on the SE quadrant of the Dome, is intended to create more space for one of the most in-demand majors on campus; nursing. A plan to expand facilities for a growing nursing program adds to the list of critical campus needs and has resulted in the new working concept of a Phase II for the Health and Wellness Center. An expanded nursing program would include state-of-the-art simulation laboratories and potential new related programs in geriatrics/gerontology, sports medicine, and athletic training. This expanded program has potential to support and provide new services for retired populations while also providing academic training for healthcare professionals and collaboration with community and regional health providers.

At the same time and as part of a desire to improve services to students there is an opportunity to house student health, disability, testing and counseling services in a more accessible location for students. Couple this with the potential to address a long needed location for child care services.

The undergraduate nursing program would be relocated from Memorial Hall to the new center as a result of a significant increase in demand because of its quality reputation. Minot State University is currently only able to admit about one third of those qualified who apply (18 out of 54 are admitted annually). There is also

interest in expanding into a graduate nursing program because of demand for increasing nursing education, outreach and support activities within our region. Phase II would be located on the east side of the Dome.

Phases I and II of the Minot State University Health and Wellness Center connected through the Dome would allow for combining all facets of wellness into a common facility. Physical and mental health would be joined with health-related curricula to address all aspects of a comprehensive campus wellness program responding to these demands. Minot State University believes this project supports our Vision 2013 strategic plan by helping to ensure future institutional viability, vitality and growth.

### **CONSISTENCY WITH CAMPUS MASTER PLAN AND BUDGET:**

This idea of an expanded wellness center was first suggested by campus master planners as a way to better utilize the swimming pool and locker rooms in the Student Center. Concerns with space limitations at that site resulted in consideration being given to other possible locations. The other location that made the most sense to project architects is adjacent to the Dome on its west side. This site will take advantage of some features already in place in that facility. Racquetball courts, locker rooms, workout areas, and a walking/running track already exist in the Dome. By adding to it there will be the opportunity to create an even more useful building.

### **SBHE and/or LEGISLATIVE HISTORY:**

The 2009 Legislative Assembly authorized \$15 million in non-state spending, with \$10 million in revenue bond authority for the project. In September 2009, the SBHE authorized MiSU to proceed with Phase I at \$10 million to be funded with revenue bond proceeds, to be repaid through new and reallocated student fees of \$271.94 year. In February 2010, the SBHE authorized MiSU to seek Budget Section approval to expand Phase I from \$10 million to \$12.77 million to include skywalk, climbing wall, equipment, and first floor expansion. In March 2010, the Budget Section authorized expansion of the project from \$10 million to \$10,924,000 for the first floor expansion and related architect fees only.

The expanded first floor footprint is to accommodate an athletic weight room and future athletic locker rooms, increasing first floor by 13,850 square feet from 16,290 to 30,140 square feet, of which 3,600 will be completed for the athletic weight room and the remaining space will remain unfinished. The installation of the expanded first floor area for the athletic weight room and future locker room areas will track with the overall wellness phase I project schedule. This additional first floor area is being planned now because it cannot be built later once the foundation is completed if a smaller first floor were built.

It is MiSU's intent to request SBHE support in the 2011-13 budget for state funding support for Phase II.

### **FINANCING:**

The current requested Phase I expansion budget is as follows:

Skywalk	\$400,000
Climbing Wall	\$450,000
Equipment (fitness and office furniture)	\$500,000
Architect	\$86,000
Contingency	\$410,000
<b>Total</b>	<b>\$1,846,000</b>

*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 OPERATIONS / IMPROVEMENT COSTS and FUNDING SOURCES:**

Operational costs will be paid for with Health and Wellness student fee revenues. Phase I of the project as approved by the SBHE in September 2009, indicated that the "Health and Wellness fee will increase approximately another \$63 per year when the Center is operational, in about two years, to help cover operating and maintenance costs. Of the \$63, \$25 is reallocation of an existing fee and the remaining \$38 is a fee increase." MiSU is increasing their "fitness fee" \$20 (per semester) in the Fall 2010, and expects to increase the fitness fee another \$18 per semester in the Fall 2011, to cover operational costs of the facility. Although the center is not expected to become operational until Fall 2011, a portion of the fee is being put in place now to ramp up the Health and Wellness Center operations, in anticipation of its opening. Any future improvements to the facility will be sought first from private donations.

### **SOURCE AND AVAILABILITY OF FUNDS:**

#### **Campus Auxiliary Sources: Local**

A consistent percentage drawn from the following campus auxiliary sources for nine years based on projected revenue increases:

	<u>Annual</u>	<u>Nine Year</u>
Consolidated Residence Halls	\$25,000	
Bookstore Revenues	\$40,000	
Food Service	\$30,000	
Athletic Facilities (Dome)	\$10,000	
Interest Account	<u>\$40,000</u>	
Total	\$145,000	
Nine-Year Total		\$1,305,000

#### **Fundraising Sources**

Private donations	\$541,000
-------------------	-----------

Grand Totals	<u>\$1,846,000</u>
--------------	--------------------

Up-front costs for requested project expansion that cannot be paid for from within the existing \$10.924 million authorization would be paid from institutional reserves or a BND loan, with repayment made from various sources as outlined above. However, if in the event the private funds do not materialize as noted above, MiSU would utilize institutional reserves to cover the remaining balance, if needed.

### **ESTIMATED PROJECT TIMELINE AND COMPLETION DATE:**

Phase I is currently being designed and will be bid in early spring and break ground in mid-May. The expected time line for construction is 18 months, with operational status expected in Fall 2011.

### **SBHE CAPITAL CRITERIA:**

- **Project addresses current life, health and safety issues:**  
This project will provide a facility for students that will improve their health and mental wellbeing.
- **Project addresses compliance with local, state, or federal law or requirements:**



All designs are being developed by licensed architects and engineers to be in full compliance with applicable laws and standards.

- **Project corrects significant deferred maintenance:**  
Not applicable
- **Project addresses a critical maintenance need defined by those which must be addressed, and which, if neglected, could result in substantial damage to the structural integrity of the building:**  
Not applicable
- **Project meets a compelling programmatic or accreditation justification consistent with campus mission and strategic goals:**  
Having a fully operational wellness center is a key component in a well-rounded university education. This new wellness center has been requested by the students after the facility in Swain Hall moved out to make room for the current remodel. The campus fully supports the health and wellness of our students, and a dedicated wellness center for our students is a priority within the campus master plan.
- **Project has been partially funded by the legislature in a previous biennium, but is not yet complete:**  
This project is being funded through student fees. We do expect to seek donations to cover some of the possible alternates such as the skywalk and the climbing wall.
- **Project is supported by significant outside funding:**  
This project is being funded primarily by student fees.
- **Space will be used to advance a specific program or activity that is a high priority of the state:**  
The wellness of our students is a high priority within the university system. There have been many studies supporting the need to make our youth more active and to educate them in life-long healthy habits which a wellness center provides.
- **Project addresses an urgent infrastructure need:**  
The Wellness Center was displaced to a temporary home in the Dome when the Swain remodel began. The students want a building of their own for a wellness center.
- **Project is consistent with campus master plan and is highly rated by the campus:**  
This project has been identified in the master plan as a priority and has been accepted campus wide as a means to provide a facility dedicated to student wellness. This complex will be available only to our student population and not our faculty, staff or the general public.
- **Project is necessary based on clearly demonstrated condition of existing space:**  
The Wellness Center currently is housed temporarily on the third floor of the Dome. This facility has to be moved out to storage whenever a large event is held in the Dome such as state tournaments. It is important to the students to have a dedicated wellness center to provide fitness machine areas, fitness education areas, and multipurpose gyms for student activities.
- **Project fosters the consolidation of services or enhances operating efficiencies:**

This facility will bring under one roof all student fitness related activities. This building will be connected to the Dome and to the future Nursing/Health Building proposed in Phase II.

- **Project enables the institution to remove obsolete or unnecessary facilities:**  
Not Applicable

g:\laura\wpdocs\capital assets\misu\sbhe health wellness ctr 02 04 10 glatt-1.docx