

Mayville State University, September 15, 2011 SBHE Meeting

Ratify 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.

Project Description

The ND Department of Commerce energy funding provides for upgrading the existing walls and windows at Agassiz Hall. The existing exterior walls on the first, second and third floor wings are furred out to provide for an addition of two inches of polystyrene insulation. Also the windows in the building are upgraded from the existing single pane windows to a double paned glazed window. The upgrading of the walls and windows cost is \$76,500 as determined by the project general contractor. The upgrade improvements will achieve an energy savings payback within approximately 8 years. The project architect will do site verifications to ensure the specified insulation and windows are installed. The wall insulation and window upgrades, along with the original project, are substantially complete.

The original scope of the project, which is complete, was as follows: Agassiz Hall (1969) has remained in nearly original condition, except for regular maintenance, painting and partial re-roofing. It was configured with double occupancy rooms arranged around a central core of shared lavatories and showers. The facility is not ADA accessible, and exhibits plumbing and ventilation problems consistent with a 40 year-old building. The renovation will convert the dorm into double occupancy suites, and double occupancy apartments. Renovations will include complete replacement of ventilation, plumbing, and electrical systems. Air conditioning will be added to each wing. The renovation project will reduce capacity from 228 to 144 beds in Agassiz Hall.

Total campus-wide capacity will be 289, with completion of this project.

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. The request stated:

The project funding will be provided from the issuance of Housing and Auxiliary Facilities Revenue Bonds funded by net revenues from housing and Campus Center operations and \$273,508.98 of Agassiz Hall reserves will be used as the required bonding reserve. Today, the 6/3/09 reserve, plus fiscal year to date revenue less expense is \$325,996.

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.

The DOC ARRA funding was authorized May 28, 2010. Mayville State has not submitted reimbursement request documentation to ND Department of Commerce requesting reimbursement. All reimbursement requests must be made by March 31, 2012 according to the authorization.

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

	Revised Amount	Included in project authorization (X)	Included in funding request (X)
Planning, Permits and Insurance (design costs associated with current project, OMB preplanning revolving funds, architect and engineer fees, permits, insurance)	\$292,000	292,000	292,000
Land/Building Preparation and Purchase or Donated Costs (land acquisition and site preparation/development)	\$0	0	0
Demolition and Disposal	\$0	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	2,996,500	2,996,500
Institutional work (value of work completed by institutional trade staff)	\$0	0	0
Furniture, Fixture and Equipment (FF&E)	\$158,000	158,000	158,000
Contingency	\$18,700	18,700	18,700
Hazardous Material Abatement	\$142,000	142,000	142,000

Other, including 3 rd party costs *	\$61,300	61,300	61,300
TOTAL	\$3,745,000	3,668,500	3,668,500

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 \$61,300

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	64,300
ND Dept of Commerce ARRA Energy Award	<u>76,500</u>
Total Project funding	\$3,745,000

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 work in the building is substantially complete, and the building is being occupied by returning students this fall. The project punch lists are to be complete in September, 2011.