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From: Bruce B

**NORTH DAKOTA STATE UNIVERSITY**

**Authorization for Capital Projects Using Special Funds**

Project **UNIVERSITY VILLAGE REPLACEMENT – PHASE II (REAUTHORIZATION)**  
Amount **\$54,000,000**  
Funding Source(s) **Special Funds (combination of local, Capital Building Tier, and revenue bond funds)**

Project **MEMORIAL UNION PARTIAL RENOVATION & ADDITION** *~ And possible tear down of Dinan Hall.*  
Amount **\$50,000,000**  
Funding Source(s) **Special Funds (combination of private, local, and revenue bond funds)**

Project **VAN ES BSL-3 LABORATORY FIT-UP**  
Amount **\$8,000,000**  
Funding Source(s) **Special Funds (grant)**

**Bill Bonding Authorization Language:**

SECTION XX. BOND ISSUANCE AUTHORIZATION - PURPOSES. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 20XX. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 1 of this Act for the following capital projects:

North Dakota state university - university village phase II

North Dakota state university – memorial union partial renovation & addition

## **State Board of Higher Education Summary State Board of Higher Education**

**Title:** NDSU Memorial Union Partial Renovation and Addition

**Proposed action:** Authorize NDSU to begin a fund-raising campaign, to seek legislative authorization to issue and sell revenue bonds as needed up to \$50,000,000, and once all funds are available, request authorization for construction of the Memorial Union Partial Renovation and Addition project to be funded from special funds, including private, local and revenue bonds as may be necessary to defray the estimated cost of \$50,000,000.

**Background information:** The Memorial Union (MU), was constructed in 1953. In 2004, NDSU students approved a \$22 million expansion and renovation to address the campus' evolving demands. The Memorial Union is one of the busiest buildings on campus. The building will need to be operational at all times during construction, with some possible limitations. The demolition of Dinan (residence) Hall and the construction of the new addition will be the first phase necessary to add important square footage for the project. The project will begin when funds are available and upon Student Body approval, with a target start date of summer 2026. The overall construction schedule will be 24 to 30 months due to the project's complexity and the demolition work.

**Financial matters:** This project will utilize special funds, including local, private and revenue bond funding sources as may be necessary. Future operating costs will be split between various sources including appropriated general funds and local funds. FF&E funding sources include local funds, bonding, private donations and/or other funds.

**Legal/policy matters:** Over the past decade, NDSU has updated dining options and the bookstore in the MU, garnering enthusiastic support from students, parents, employees, and the community. The MU is also a critical starting point for prospective students and their families. A welcoming, well-defined entrance is essential for guiding visitors and creating a positive first impression – an important factor in choosing NDSU. In addition, many parents accompanying their children to campus are alumni, and incorporating a connection to the Foundation could enhance their experience.

This project aligns with NDSU's Master Plan section 3:

- PED 8 Housing #1
- DMP 17 Housing
- DMP 19 Accessibility
- LSS 2 Sprinkler Systems in Residence Halls
- LSS 3 Exterior Lighting
- LSS 4 Card Access
- LSS 5 Video Surveillance

There is no SBHE or legislative history. **Academic matters:** None

**Review Process:** University System office staff.

**Chancellor's recommendation:** Chancellor recommends approval.

**Contact information:** Bruce Bollinger, VP for Finance and Administration, 701/231-8412,  
[Bruce.Bollinger@ndsu.edu](mailto:Bruce.Bollinger@ndsu.edu)

## **Request Authority for Fundraising Including Legislative Requests for General Fund Appropriations or Revenue Bond Financing – SBHE Policy 902.1 and 902.3**

**North Dakota State University, February 27, 2025**

### **REQUESTED ACTION:**

Authorize NDSU to begin a fund-raising campaign, to seek legislative authorization to issue and sell revenue bonds as needed up to \$50,000,000, and once all funds are available, request authorization for construction of the **Memorial Union Partial Renovation and Addition** project to be funded from special funds, including private, local and revenue bonds as may be necessary to defray the estimated cost of \$50,000,000.

### **Project Description**

The Memorial Union (MU), constructed in 1953, opened during Homecoming that year. In 2004, NDSU students approved a \$22 million expansion and renovation to address the campus' evolving demands.

The Memorial Union is one of the busiest buildings on campus. The building will need to be operational at all times during construction, with some possible limitations. The demolition of Dinan (residence) Hall and the construction of the new addition will be the first phase necessary to add important square footage for the project. Once the addition is completed, the services relocating into the addition can move, which will allow the vacated spaces to be renovated.

The work will occur over the summer months when the MU is the least active. The project will begin when funds are available and upon Student Body approval, with a target start date of summer 2026. The overall construction schedule will be 24 to 30 months due to the project's complexity and the demolition work.

### **Consistency with Campus Facility Master Plan and Budget**

Today's students seek enhanced educational opportunities, engaging activities, improved support services, and a welcoming student union – a space many consider their campus home. Over the past decade, NDSU has updated dining options and the bookstore in the MU, garnering enthusiastic support from students, parents, employees, and the community. These successes highlight the need for further modernization; however, modernization is only part of the solution.

New, heavily used campus buildings near the MU, along with the closure of a major street and the addition of skywalks, have altered student movement patterns. These changes require rethinking service locations within the MU to ensure accessibility. For example, the One Stop service center, which provides support for accounts, financial aid, scholarships, tuition, registration and more, is not fully centralized, with some support staff housed in other buildings. Besides location and as the campus grows more inclusive, space constraints hinder the expansion of student-focused functions.

The MU is also a critical starting point for prospective students and their families. A welcoming, well-defined entrance is essential for guiding visitors and creating a positive first impression – an important factor in choosing NDSU. In addition, many parents accompanying their children to campus are alumni, and incorporating a connection to the Foundation could enhance their experience.

A redesigned and expanded MU would benefit current students, prospective students, parents and other visitors. Achieving these goals effectively is only possible with an addition to and partial renovation of the Memorial Union.

This project aligns with NDSU's Master Plan section 3:

- PED 8 Housing #1
- DMP 17 Housing
- DMP 19 Accessibility

- LSS 2 Sprinkler Systems in Residence Halls
- LSS 3 Exterior Lighting
- LSS 4 Card Access
- LSS 5 Video Surveillance

#### SBHE and/or Legislative History

N/A

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

	Amount
<b>Planning, Permits and Insurance</b> (design costs associated with current project, OMB preplanning revolving funds, architect, and engineer fees, permits, insurance)	\$3,400,000
<b>Land/Building Preparation and Purchase or Donated Costs</b> (land acquisition and site preparation/development)	\$
<b>Demolition and Disposal</b>	\$1,000,000
<b>Construction</b> (foundation and building construction or renovation, including fixed equipment, landscape, infrastructure, and utilities, mechanical and electrical, parking and driveways or roadways)	\$43,750,000
<b>Institutional work</b> (value of work completed by institutional trade staff)	\$1,850,000
<b>Hazardous Material Abatement</b>	\$
<b>Other, including 3<sup>rd</sup> party costs</b> (please describe)	\$
<b>SUBTOTAL</b> (if total exceeds \$700,000, requires SBHE approval)	\$50,000,000
<b>FF&amp;E, if funded as part of legislatively authorized project</b>	\$
<b>TOTAL</b>	\$

#### Future Operating/Improvement Costs and Funding Sources

Future operating costs will be split between various sources including appropriated general funds and local funds.

#### Source and Availability of Funds

This project will be utilizing special funds, including local, private and revenue bond funding sources as may be necessary.

#### Estimated FF&E, NOT reported above (informational only)

FF&E funding sources include local funds, bonding, private donations and/or other funds.

#### Project Management Oversight (consistent with 9/25/13 SBHE approved guidelines)

The NDSU Facilities Management Director will be the project manager supporting this project in compliance with SBHE guidelines approved 9/25/13.

#### Estimated Project Timeline and Completion Date

The project will occur over the summer months when the MU is the least active to minimize disruptions and to allow as much of the building to be accessible during fall and spring semesters. The project will begin when funds are available, with a target start date of summer 2026. The overall construction schedule, due to its complexity and the demolition work, will be 24 to 30 months.

#### SBHE Capital Criteria (address each of the criteria below)

- **Project addresses current life, health, and safety issues**

N/A



- **Project addresses compliance with local, state, or federal law or other requirements**  
A new building will meet all current required codes and laws.
- **Project corrects significant deferred maintenance**  
A MU partial renovation will address several mechanical system upgrades and plumbing maintenance items. This project will also eliminate deferred maintenance by demolishing Dinan Hall.
- **Project addresses a critical maintenance need defined by situations which must be addressed, and which, if neglected, could result in substantial damage to the structural integrity of the building**  
N/A
- **Project meets a compelling programmatic or accreditation justification consistent with campus mission and strategic goals**  
The MU is a critical starting point for prospective students and their families. A welcoming, well-defined entrance is essential for guiding visitors and creating a positive first impression – an important factor in choosing NDSU. A redesigned and expanded MU would benefit current students, prospective students, parents and other visitors. Achieving these goals effectively is only possible with an addition to and partial renovation of the Memorial Union.
- **Project has been partially funded by the legislature in a previous biennium, but is not yet complete**  
N/A
- **Project is supported by significant outside funding**  
Fund-raising is part of this project.
- **Space will be used to advance a specific program or activity that is a high priority of the state**  
This project will help drive enrollment growth.
- **Project addresses an urgent infrastructure need**  
N/A
- **Project is consistent with campus master plan and is highly rated by the campus**  
Yes – details are above in the section Consistency with Campus Facility Master Plan.
- **Project is necessary based on clearly demonstrated condition of existing space**  
N/A
- **Project fosters the consolidation of services or enhances operating efficiencies**  
New, heavily used campus buildings near the MU, along with the closure of a major street and the addition of skywalks, have altered student movement patterns. These changes require rethinking service locations within the MU to ensure accessibility. For example, the One Stop service center, which provides support for accounts, financial aid, scholarships, tuition, registration and more, is not fully centralized, with some support staff housed in other buildings. Besides location and as the campus grows more inclusive, space constraints hinder the expansion of student-focused functions.
- **Project enables the institution to remove obsolete or unnecessary facilities**  
This project will include demolishing Dinan Hall, a residence hall.

## **State Board of Higher Education Summary State Board of Higher Education**

**Title:** NDSU University Village Replacement – Phase II (reauthorization)

**Proposed action:** Authorize NDSU to proceed with University Village Replacement – Phase II (reauthorization) project to be funded from special funds, including a combination of local and Tier funds and revenue bonds as may be necessary to defray the estimated cost of \$54,000,000. Further authorize NDSU to solicit approval from the legislature to use special funds for the aforementioned project and to sell revenue bonds as needed up to \$54,000,000.

**Background information:** Phase II of the replacement project will tentatively begin next biennium, with construction occurring east of the current University Village Phase I building. The extent of this phase will be dependent on market conditions, interest rates, inflation costs and other factors at the time the project commences. The scope will be similar to the previous Phase I project with asbestos abatement, demolition, site utilities, foundation work and then construction on up to three individual four-story replacement buildings with an approximate total capacity of 240 apartment units.

**Financial matters:** This project will be utilizing special funds, including a combination of local and Tier funds and revenue bonds as may be necessary. Future operating costs include all forecasted expenses needed to operate the new apartments and are figured into the rental rates. FF&E funding sources include local funds, bonding, and/or other funds.

**Legal/policy matters:** The 2018 NDSU Capital Project Priority List had the University Village Ph II project listed under Non-State Funded Unranked Projects in the amount of \$37,600,000 revenue bond funding. The project was included in the NDUS 2019-21 Capital Project Request Recommendations - Non-General Fund Projects (Unranked) submitted to the Governor for inclusion in the 2019-21 budget and in HB1003 Section 28. Bond Issuance Authorization – Purposes during the 66th Legislative Assembly. However, the pandemic and economic factors led NDSU to delay proceeding with the project. Constructed in 1969, University Village is the oldest of NDSU's apartment facilities and represents almost half of the total available units. The buildings exceed the deferred maintenance 65% threshold established by the NDUS that prompts demolition instead of repair.

This project aligns with the NDSU Master Plan section 3:

- PED 8 Housing #1
- DMP 17 Housing
- DMP 19 Accessibility
- LSS 2 Sprinkler Systems in Residence Halls
- LSS 3 Exterior Lighting
- LSS 4 Card Access
- LSS 5 Video Surveillance

**Academic matters:** None

**Review Process:** University System office staff.

**Chancellor's recommendation:** Chancellor recommends approval.

**Contact information:** Bruce Bollinger, VP for Finance and Administration, 701/231-8412,  
[Bruce.Bollinger@ndsu.edu](mailto:Bruce.Bollinger@ndsu.edu)



## **Request Authority for Construction – SHBE Policy 902.3**

**North Dakota State University, February 27, 2025**

### **REQUESTED ACTION**

Authorize NDSU to proceed with **University Village Replacement – Phase II (reauthorization)** project to be funded from special funds, including a combination of local and Tier funds and revenue bonds as may be necessary to defray the estimated cost of \$54,000,000. Further authorize NDSU to solicit approval from the legislature to use special funds for the aforementioned project and to sell revenue bonds as needed up to \$54,000,000.

### **Project Description**

Phase II of the replacement project will tentatively begin next biennium, with construction occurring east of the current University Village Phase I building. The extent of this phase will be dependent on market conditions, interest rates, inflation costs and other factors at the time the project commences. The scope will be similar to the previous Phase I project with asbestos abatement, demolition, site utilities, foundation work and then construction on up to three individual four-story replacement buildings with an approximate total capacity of 240 apartment units featuring:

- Wood construction consistent with other local market-rate apartment buildings
- Studio, one-bedroom, and two-bedroom apartment units
- ADA fully accessible units
- Elevator to assist with ADA access
- Data and TV connectivity in all units
- Common laundry areas
- Recycling room
- Community room on second through fourth floors
- Common interior corridor for safety and security
- Other improved safety features such as outside door video surveillance, fire sprinkler system, upgraded fire alarm system, card access entrances

The current parking lots will be reconstructed to include a possible 200 additional spaces, internal vehicle circulation for improved safety, and new exit control points. The project will also include site improvements for usable green space as requested by the students.

### **Consistency with Campus Facility Master Plan and Budget**

University Village was initially constructed in 1969 to provide additional housing for the increase in married students on campus. The Village originally consisted of approximately 246 apartment units within 27 buildings. The apartments contain a living room, kitchen, bathroom and bedroom(s) but lack a laundry room within each building. The current apartments also lack accessibility since the two-bedroom units are two story townhouses and the one-bedroom units are located on three levels. There is no elevator for the complex nor is there a central corridor; the doors to the units open directly to the exterior, similar to a motel concept. There is also a need for the privacy, amenities, space, and storage today's students seek in apartment-style living on campus.

Overall insulation in the buildings is minimal because the units are primarily concrete block construction. None of the existing buildings have improved safety features such as card access, exterior surveillance, or sprinkler systems. The original

telecommunication wiring does not meet current standards, and no affordable solution exists to provide campus internet connectivity. In addition, some buildings have foundation concerns that would require significant investment to correct.

University Village is the oldest of NDSU's apartment facilities and represents almost half of the total available units. The buildings exceed the deferred maintenance 65% threshold established by the NDUS that prompts demolition instead of repair.

This project aligns with the NDSU Master Plan section 3:

- PED 8           Housing #1
- DMP 17       Housing
- DMP 19       Accessibility
- LSS 2         Sprinkler Systems in Residence Halls
- LSS 3         Exterior Lighting
- LSS 4         Card Access
- LSS 5         Video Surveillance

#### SBHE and/or Legislative History

The 2018 NDSU Capital Project Priority List had the University Village Ph II project listed under *Non-State Funded Unranked Projects* in the amount of \$37,600,000 revenue bond funding. The project was included in the *NDUS 2019-21 Capital Project Request Recommendations - Non-General Fund Projects (Unranked)* submitted to the Governor for inclusion in the 2019-21 budget and in **HB1003 Section 28. Bond Issuance Authorization – Purposes** during the 66<sup>th</sup> Legislative Assembly. However, the pandemic and economic factors led NDSU to delay proceeding with the project.

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

	Amount
<b>Planning, Permits and Insurance</b> (design costs associated with current project, OMB preplanning revolving funds, architect and engineer fees, permits, insurance)	\$3,800,000
<b>Land/Building Preparation and Purchase or Donated Costs</b> (land acquisition and site preparation/development)	\$
<b>Demolition and Disposal</b>	\$1,000,000
<b>Construction</b> (foundation and building construction or renovation, including fixed equipment <sup>i</sup> , landscape, infrastructure and utilities, mechanical and electrical, parking and driveways or roadways)	\$47,900,000
<b>Institutional work</b> (value of work completed by institutional trade staff)	\$100,000
<b>Contingency</b> (typically 10% of construction prior to bid)	\$1,200,000
<b>Hazardous Material Abatement</b> (when not included in construction)	\$
<b>Other, including 3<sup>rd</sup> party costs</b> (please describe)	\$
<b>SUBTOTAL CONSTRUCTION</b> (if total exceeds \$700,000, requires SBHE approval. See Appendix A for other requirements)	\$54,000,000
<b>Furniture, Fixture and Equipment (FF&amp;E)</b>	\$
<b>TOTAL</b>	\$

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.

#### Future Operating/Improvement Costs and Funding Sources

Future operating costs include all forecasted expenses needed to operate the new apartments and are figured into the rental rates.

#### Source and Availability of Funds (including FF&E):

This project will be utilizing special funds, including a combination of local and Tier funds and revenue bonds as may be necessary.

**Estimated FF&E, NOT reported above (informational only)**

FF&E funding sources include local funds, bonding, and/or other funds.

**Project Management Oversight (Check One)**

<input checked="" type="checkbox"/>	Project will be managed by a licensed architect, engineer, or construction manager.	Identify individual and professional discipline:
<input type="checkbox"/>	Project will be managed by non-licensed institutional staff or others.	Complete and attach Appendix B

**Estimated Project Timeline and Completion Date:**

The project is slated to start during the 2025-27 period, with a construction schedule stretching over 36 to 48 months to allow staged occupancy.

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