

COMMISSION FOR HIGHER EDUCATION

Thursday, June 13, 2013

DESCISION ITEM C3: Ivy Tech Community College: Indianapolis Fall Creek Campus – Fall Creek Expansion Project Phase III

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee the following project: *F-0-12-1-02 Ivy Tech Fall Creek Expansion Phase III*. Staff recommendations are noted in the staff analysis

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million five hundred thousand dollars (\$1,500,000). A project that has been approved or authorized by the General Assembly is subject to review by the Commission for Higher Education. The Commission for Higher Education shall review a project approved or authorized by the General Assembly for which a state appropriation will be used. All other non-state funded projects must be reviewed within ninety (90) days after the project is submitted to the Commission.

The Trustees of Ivy Tech Community College seek authorization to proceed with renovation and construction at the Fall Creek Campus. The renovation and construction represents the final phase of this multi-year project at Ivy Tech's flagship campus. The expected cost of the project is \$23,098,100 and would be funded from 2007 General Assembly bonding authority.

Supporting Document

Ivy Tech Community College – Fall Creek Campus Renovation and Construction, June 13, 2013

IVY TECH COMMUNITY COLLEGE: FALL CREEK CAMPUS - FALL CREEK RENOVATION AND CONSTRUCTION PHASE III

DESCRIPTION OF THE PROJECT

The 2007 General Assembly authorized the College to plan and construct its Fall Creek Expansion project by issuing bonds not to exceed \$69,370,000. Ivy Tech has requested and received multiple releases of that bonding authority and now requests the balance of \$23,098,100 so the project can be completed. The College plans to:

- Upgrade the infrastructure of the existing North Meridian Center and Technology Buildings
- Build out vacant space in the Ivy Tech Corporate College and Conference Center building to house additional programs
- Reconfigure space vacated by the culinary program when it moves to new facilities
- Construct new space as funding is available to provide additional classrooms, teaching labs, and student support space
- Convert student services to on-stop delivery which increases student retention and reduced operational costs
- Convert spaces for the centralization and cohesion of College functions thereby reducing short and long term operational costs.

PLANNING CHANGES

No changes from original submission of earlier phases.

RELATIONSHIP TO OTHER CAPITAL IMPROVEMENT PROJECTS

There are two other capital projects completed or underway at the North Meridian Center site. The first is a multi-modal facility that has been constructed using Federal and gift funds at the main campus bounded by Illinois, Meridian, 26th, and 27th streets. It houses parking and the College's library, learning center, and assessment center. The second project is the renovation and rehabilitation of the former Stouffer Hotel. The purchase and renovation of the first, second, third, and thirteenth floors of the building is being accomplished through foundation funds. That leaves floors four through twelve available for build out and College use.

HISTORICAL SIGNIFICANCE

While not official registered or designated as historic buildings, both the Fall Creek Expansion and the North Meridian Center are historically significant. This project takes that into consideration and attempts to retain façades and structures where cost permits.

STAFF ANALYSIS

The Fall Creek Campus Project is the culmination of a multi-year effort by the College to reinvigorate and develop the near northside while increasing access to higher education in an urban core area. The project is part of the College's master plan for the campus and will help with long-term objectives of improving student retention and access. CHE's study of Ivy Tech space needs revealed a shortage of space at the Fall Creek campus. The \$23,098,100 cost will be funding using fee replacement.

The project was submitted as part of the Commission's 2013-15 Biennial Budget Recommendation. Based on the analysis conducted by staff, staff recommends the Commission provide a favorable review of the capital project.

Attachment C
Space Data

NEW CONSTRUCTION
Campus: Indianapolis

BUDGET AGENCY NUMBER: F-0-12-1-02

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Room Type	Current ^(a) Space in Use		Space Under Construction		Space Planned And Funded		Subtotal Current & Future Space		Space to be ^(b) Terminated As a Result of This Request		Space In New Request		Net Total Future Space	
	141,114	25,157	0	166,271	0	13,815	0	180,086	0	13,815	0	159,615	0	180,086
110 & 115 Classroom 210,215,	141,114	25,157	0	166,271	0	13,815	0	180,086	0	13,815	0	159,615	0	180,086
220 & 225 Class Lab	132,679	17,195	0	149,874	0	9,741	0	159,615	0	9,741	0	145,556	0	159,615
250 & 255 Non Class Lab	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 Office Facilities	116,214	19,601	0	135,815	0	9,741	0	145,556	0	9,741	0	145,556	0	145,556
400 Study Facilities	28,110	6,560	0	34,670	0	22,360	0	57,030	0	22,360	0	57,030	0	57,030
500 Special use Facilities	8,018	0	0	8,018	0	0	0	8,018	0	0	0	8,018	0	8,018
600 General Use Facilities	52,921	23,978	0	76,899	0	2,070	0	78,969	0	2,070	0	78,969	0	78,969
700 Support Facilities	51,893	9,414	0	61,307	0	0	0	61,307	0	0	0	61,307	0	61,307
800 Health Care Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 Resident Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
000 Unclassified	111,081	0	0	111,081	0	0	0	111,081	0	0	0	111,081	0	111,081
Total	642,030	101,905	0	743,935	0	57,727	0	801,662	0	57,727	0	801,662	0	801,662

(a) Space listed is for all campuses - Fall 2011 Facilities Inventory

(b) Space to be terminated: None

**Attachment E
Source(s) of Funding**

**NEW CONSTRUCTION
Campus: Indianapolis**

BUDGET AGENCY NUMBER: F-0-12-1-02

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ESTIMATED TOTAL PROJECT COST \$23,098,100

BONDING AUTHORITY BEING REQUESTED IN THREE STEPS

NEW CONSTRUCTION AND DEMOLITION	\$39,500,000	Previously released
CONNECTOR AND BUILD OUT OF 4 & 5	\$6,771,900	Previously released
RENOVATION AND REHABILITATION	\$23,098,100	This request
	<u>\$69,370,000</u>	

SOURCES OF FUNDING:

Prior Appropriation (Acts of ____)		Annual*		
State Appropriation Requested		<u>Payment</u>	<u>Years</u>	<u>Rate</u>
Bonding Authority (Acts of 1965) 2007 GA	\$23,098,100	\$2,013,798	20	6.00%
Bonding Authority (Acts of 1929)				
Bonding Authority (Acts of 1927)				
Lease Purchase				
Other (Specify)				

* Annual payment based on assumed years and rate. Provide the annual debt service payment information for the appropriation bonding or lease-purchase arrangement even though cash appropriation is requested

EXPLANATION OF ANY UNIQUE FUNDING FEATURES:

The College is requesting release of the remaining bonding authority for the project.

Attachment F
Estimated Change in Operating Costs

NEW CONSTRUCTION
Campus: Indianapolis - Build Out and New Construction

BUDGET AGENCY NUMBER: F-0-12-1-02

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GROSS SQUARE FOOTAGE OF AREA AFFECTED BY PROJECT: 89,174

ANNUAL OPERATING COST:

	<u>Cost Per</u> <u>Square Foot</u>	<u>Total</u> <u>Cost</u>	<u>Personnel</u> <u>Services</u>	<u>Supplies</u> <u>And Expense</u>
Operations	2.81	250,900	127,700	123,200
Maintenance	2.53	226,000	26,900	199,100
Fuel	0.00	0	0	0
Utilities	1.77	157,425	0	157,425
Other	0.00	0	0	0
Total	7.11	\$634,325	\$154,600	\$479,725

LESS: OPERATING COST OF

Existing area affected	0	0	0
Other Space Affected			

ESTIMATED CHANGE IN COST **\$634,325** **\$154,600** **\$479,725**

DESCRIPTION OF ANY UNUSUAL FACTORS AFFECTING OPERATING AND MAINTENANCE COST: None

DESCRIPTION OF ANTICIPATED PLANT EXPANSION REQUEST:

A plant expansion adjustment will not be requested for this work
The basis for the cost estimate above is October 2011.