

COMMISSION FOR HIGHER EDUCATION

Friday, December 9, 2011

DECISION ITEM B-1: Rotary Building Renovation at Indiana University – Purdue University Indianapolis

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee the following project: *Rotary Building Renovation at Indiana University – Purdue University Indianapolis*. 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 Indiana University respectfully request authorization to proceed with the renovation of the Rotary Building on the IUPUI campus. The renovation will include new interior infrastructure, upgrades for ADA purposes, a new elevator and energy efficient windows and doors. Estimated cost is \$10.0 million with funding through indirect cost recovery funds and School of Medicine gift funds.

Supporting Document

Rotary Building Renovation at Indiana University – Purdue University Indianapolis, December 9, 2011.

ROTARY BUILDING RENOVATION AT INDIANA UNIVERSITY – PURDUE UNIVERSITY INDIANAPOLIS

Project Description and Staff Analysis

DESCRIPTION OF THE PROJECT

This project renovates the Rotary Building located on the north end of Ball Gardens separating the Riley Medical Buildings from the new Wishard/Eskenazi Hospital on the IUPUI campus. It converts approximately 40,000 gross square feet (gsf) of existing space into offices and support space for the School of Medicine. Recently, this area was used by the Department of Ophthalmology which has currently moved into the Glick Eye Center.

New interior infrastructure includes energy efficient mechanical systems; upgraded electrical power, lighting and data; and new interior walls, ceilings, and floor finishes. Upgrades will be done to meet current energy and ADA standards. An elevator serving all three floors and basement will also be installed.

The exterior of the building will have new energy efficient doors/windows, and new site work will coordinate with the new designs for the adjacent gardens.

RELATIONSHIP TO OTHER CAPITAL IMPROVEMENT PROJECTS

This project does not affect any other capital improvement projects.

HISTORICAL SIGNIFICANCE

The Rotary Building does have a historical significance. The building previously served as a home for orphaned and ill children when it first opened in 1931 before being used for academic and administrative purposes. The Rotary Club donated funding to erect the building and IU does not have plans to demolish the build.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

This project is keeping within the mission of the IUPUI campus to provide appropriate, modern, and high quality facilities for use by students and faculty.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

Relocation is essential for the Center for Global Health, the Office of Medical Education, and the Department of Medicine Divisions of Pulmonary, Gastroenterology and Hepatology in order for them to have appropriate, modern, and high quality accommodations near the new Eskenazi Health facility and Riley Hospital for Children.

ALTERNATIVES CONSIDERED

Other options were considered; however, the university decided this one best met the needs of the School of Medicine and was the most cost effective.

RELATIONSHIP TO LONG-RANGE FACILITIES PLANS

This project is consistent with the mission of the IUPUI campus.

STAFF ANALYSIS

The Rotary Building housed the Department of Ophthalmology which moved to the newly renovated Glick Eye Center, creating open space on the IUPUI campus of 39,123 gross square feet (GSF). IUPUI plans to have various School of Medicine (SOM) divisions move into the Rotary Building space once renovation of the building is complete. Some of the SOM functions are currently housed in the Old Wishard complex which will be demolished at some point in the future. Other SOM functions are housed in leased space along the downtown canal.

The estimated cost per GSF for the renovation is \$255.60. Other projects similar to this at the IUPUI campus include:

- Cavanaugh Hall Room 008 Renovation – 5,300 GSF at a cost of \$264/GSF
- Glick Eye Institute Third and Fourth Floor Build-out – 31,600 GSF at a cost of \$142/GSF
- School of Nursing Renovation of Fourth Floor – 28,800 GSF at a cost of \$194/GSF

Funding for the renovation will come from un-designated Indirect Cost Recovery funds (\$5M) and from SOM un-designated general gift funds (\$5M). This is a top priority project for the SOM and as such, funds were identified to renovate the Rotary Building from these sources. Indirect Cost Recovery funds are a portion of outside grant funds used by IUPUI at the discretion of the institution for indirect costs.

The primary use of this building will be for administrative functions and housing faculty and doctors related to the SOM. The building was established in 1931 and is considered a historic building; therefore demolition is not a current option. The Rotary Building has not seen any significant renovations in the past 10 years; however some large scale work was done in the 1970's and 1980's. The Rotary Building is also located near the New Wishard Building where many of the doctor's students and patients are located.

Since the Rotary Building is outdated, some of the renovations to the building include energy efficient changes that will allow for a reduction in energy costs to operate the building. While IUPUI cannot determine actual savings at this time, it is anticipated that the renovations made to the building will require less energy over time and potentially less cost to operate.

In addition to savings through building operations, IUPUI will realize savings from vacated lease space that the SOM currently occupies. Leases in the Old Wishard complex and along the downtown canal will be terminated and could potentially save the SOM \$250,000 each year. These savings will be reinvested in the SOM's annual operating budget.

IU is requesting the Commission review and approve the renovation of the Rotary Building at the IUPUI campus. This project is not required to have General Assembly approval or authorization; therefore the Commission did not review this project as part of a previous biennial budget request.

Staff recommends the Commission provide a favorable review of the project.

PROJECT SUMMARY
REPAIR AND REHABILITATION

INSTITUTION: Indiana University CAMPUS: Indianapolis
PROJECT TITLE: Rotary Building - Renovation BUDGET AGENCY NO.: A-2-12-2-10
INSTITUTION'S PRIORITY: _____

PROJECT SUMMARY DESCRIPTION (ATTACHMENT A) – This project renovates the Rotary Building located on the north end of Ball Gardens separating the Riley Medical Buildings from the new Wishard/Eskenazi Hospital on the IUPUI campus. It converts approximately 40,000 gross square feet (gsf) of existing space into offices and support space for the School of Medicine. This area was used by the Department of Ophthalmology, which has recently moved into the Glick Eye Center.

SUMMARY OF NEED AND NET CHANGE IN CONTRIBUTION TO EDUCATIONAL SERVICES PROVIDED BY INSTITUTION (ATTACHMENT B) – Relocation is essential for the Center for Global Health, the Office of Medical Education, and the Department of Medicine Divisions of Pulmonary, Gastroenterology and Hepatology in order for them to have appropriate, modern, and high quality accommodations near the new Eskenazi Health facility and Riley Hospital for Children.

SPACE DATA (ATTACHMENT C)

PROJECT SIZE: 39,123 GSF 22,139 ASF 57% ASF/GSF
NET CHANGE IN CAMPUS ACADEMIC/ADMINISTRATIVE SPACE: N/A ASF

TOTAL PROJECT BUDGET (ATTACHMENT D)

TOTAL ESTIMATED COST: \$10,000,000 /GSF \$255.60

ANTICIPATED DATE OF PROJECT COMPLETION: October 2013

ANTICIPATED SOURCES OF FUNDING (ATTACHMENT E)

Indirect Cost Recovery	\$ 5,000,000
School of Medicine Gifts through the Indiana University Foundation	\$ 5,000,000
TOTAL BUDGET	<u>\$10,000,000</u>

ESTIMATED CHANGE IN ANNUAL OPERATING BUDGET AS A RESULT OF THIS PROJECT (ATTACHMENT F)

N/A () INCREASE () DECREASE