

COMMISSION FOR HIGHER EDUCATION

Friday, December 9, 2011

DECISION ITEM B-2: Erickson Hall Renovation – Indiana State University

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee the following project: *Erickson Hall Renovation – Indiana State University*. 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 State University respectfully request authorization to proceed with the renovation of Erickson Hall at the Terre Haute campus. The renovation will convert current administrative space to on-campus residence space, providing 260 beds and lounge space for students. Estimated cost is \$10.0 million with funding provided through residence hall reserves (\$1M) and auxiliary borrowing (\$9M).

Supporting Document

Erickson Hall Renovation – Indiana State University, December 9, 2011.

ERICKSON HALL RENOVATION – INDIANA STATE UNIVERSITY

Project Description and Staff Analysis

DESCRIPTION OF THE PROJECT

Erickson Hall, originally constructed in 1960 as a student housing facility, was converted in 1996 to academic/administrative space. As a part of the Campus Master Plan, Erickson Hall is scheduled for renovation to once again serve its original purpose as a residence hall facility. Current academic/administrative functions housed in Erickson Hall are being relocated to other facilities on campus. Renovation of this facility will provide a total of 260 beds, all contained in double occupancy rooms with lounge/study space on each floor. Office space for Residential Life and Dining Services will be included on the first floor. Utilizing Erickson Hall for student housing will also reduce campus academic/administrative footage by 78,690 gross square feet.

RELATIONSHIP TO OTHER CAPITAL IMPROVEMENT PROJECTS

The conversion and renovation of Erikson Hall for student housing use is a part of the long-term plan for residence hall facilities on the campus of Indiana State University.

HISTORICAL SIGNIFICANCE

Erickson Hall is not considered a historic structure or shown on the list of historic sites and structures as prepared by the Indiana Division of Historic Preservation and Archaeology.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

This project is part of the Campus Master Plan, completed in 2009, to provide attractive housing option for prospective and current students consistent with the mission of a four-year residential campus..

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

The proposed renovation of Erickson Hall with double occupancy rooms and appropriate lounge/study spaces creates an environment that is attractive to students and conducive to living and learning. Indiana State University believes campus housing provides students with many benefits including living in an academically supported environment with academic peer advisors and learning communities. It also allows students the ability to stay connected to campus through activities that foster education, social, and leadership development as well as opportunities to engage with students from a variety of different cultures, backgrounds and lifestyles.

ALTERNATIVES CONSIDERED

Not applicable.

RELATIONSHIP TO LONG-RANGE FACILITIES PLANS

Many of Indiana State's housing options are antiquated and in need of major refurbishment. The Campus Master Plan calls for the renovation of several existing residential facilities that have had no major renovation in over 40 years and do not meet existing building codes including those of fire safety and ADA compliance. To accommodate the space needs of today's students and building code requirements, renovation of residence halls often result in a reduction of current occupancy levels. While the Campus Master Plan does not call for a significant increase in the overall bed count, the conversion and renovation of Erickson Hall to student housing provides a temporary increase to allow for future renovations of other residence hall facilities.

STAFF ANALYSIS

ISU's ten year housing capital plan calls for on-going renovations and improvements to the 10 on-campus housing facilities, including the renovation of Erickson Hall. Previously, ISU has renovated several on-campus housing facilities in order to provide greater options to students living on campus comparable to other housing options in Terre Haute without increasing overall bed count.

Other renovations of on-campus housing facilities have cost on average \$150 per gross square foot based on costs over the last 10 years. As recent as 2009, Sandison residence hall was renovated at a cost of \$154 per gross square foot. The proposed project at Erickson would cost \$143 per gross square foot, comparable to previous renovation projects at the ISU campus.

As of the fall of 2011, 99% of on-campus housing was occupied with approximately 3,600 beds available to students. Erickson Hall will add 260 beds to the current inventory when complete; however, as ISU renovates and upgrades several on-campus housing options over the next 10 years the overall number of beds will fluctuate. Overall ISU projects by 2019 the total number of beds will be 3,630. Currently, 30% of students enrolled at ISU live on-campus.

In addition to residence space, the first floor of Erickson Hall will include Residential Life offices and three classrooms to be used by students. ISU hopes to create an atmosphere of living and learning at Erickson by including both residential and academic space in the facility. Current services and offices in Erickson Hall will be relocated to unused and renovated space throughout campus, resulting in little change to overall campus operational costs.

Funding for the project will be provided through cash reserves (\$1M) held by the Housing and Dining Services Division of ISU along with the issuance of auxiliary revenue debt (\$9M) to be financed through housing and dining services revenue. Current standard room and board rates at ISU are \$7,990, with premium rates reaching \$9,010 for double rooms with private bathrooms. It is anticipated that students residing in the newly renovated Erickson Hall will pay a increase over previous rates due to the upgrade, which is consistent with previous renovations and rate changes.

ISU is requesting the Commission review and approve the renovation of Erickson Hall. This project is not required to have General Assembly approval or authorization; therefore the Commission did not review this project as part of a pervious biennial budget request.

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

INDIANA STATE UNIVERSITY
Project Summary
SPECIAL REPAIR AND REHABILITATION

INSTITUTION: Indiana State University CAMPUS: Terre Haute

PROJECT TITLE: Erickson Hall Renovation BUDGET AGENCY NO.: C-1-12-2-02
 INSTITUTION'S PRIORITY: _____

PROJECT SUMMARY DESCRIPTION (ATTACHMENT A) Renovation of Erickson Hall, constructed in 1960 as student housing, to include 260 double rooms with lounge/study space on each floor. Currently utilized as academic/administrative space.

SUMMARY OF NEED AND NET CHANGE IN CONTRIBUTION TO EDUCATIONAL SERVICES PROVIDED BY INSTITUTION (ATTACHMENT B) The proposed renovation of Erickson Hall to its original purpose as student housing is part of the University's long-term plan to renovate existing facilities to provide attractive housing for students and create an atmosphere conducive to living and learning. Renovation of this facility will provide a total of 260 beds, all contained in double occupancy rooms with lounge/study space on each floor.

SPACE DATA (ATTACHMENT C)

AREA AFFECTED BY THE PROJECT: 78,690 GSF 41,463 ASF

PROJECT SIZE: 78,690 GSF 41,463 ASF 53% ASF/GSF

NET CHANGE IN CAMPUS ACADEMIC/ADMINISTRATIVE SPACE: (41,463) ASF

TOTAL PROJECT BUDGET (ATTACHMENT D)

TOTAL ESTIMATED COST: \$10,000,000 \$/GSF \$142.82

ANTICIPATED DATE OF PROJECT COMPLETION: July 2013

ANTICIPATED SOURCES OF FUNDING (ATTACHMENT E)

<u>Residence Hall Reserves</u>	
<u>and Borrowing</u>	<u>\$10,000,000</u>
TOTAL BUDGET	<u>\$10,000,000</u>

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

\$ -0- () INCREASE () DECREASE

NOTE: SEE ATTACHMENTS FOR SUPPORTING INFORMATION REQUEST TO BE SUBMITTED WITH PROJECT SUMMARY FORM.