

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-4: Central Campus Academic Renovation & Utility Improvements Project – Phase 2 at the Ball State University Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Central Campus Academic Renovation & Utility Improvements Project – Phase 2 at the Ball State University Campus (Amended as of November 12, 2010)*, as described in the project description and staff analysis October 8, 2010.

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 dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was authorized by the General Assembly.

Work on Phase 1 of Ball State University's Central Campus Academic Renovation & Utility Improvements Project is underway. The three buildings being addressed by the Central Campus Academic Renovation are in critical need of renovation to address emerging instructional and technological requirements as well as outdated and inefficient mechanical and electrical systems. Phase 2 of the renovation will build upon the work started by Phase 1 by completing work in the Teachers College also addressing needs in Applied Technology.

Supporting Document

Central Campus Academic Renovation & Utility Improvements Project – Phase 2 at the Ball State University Campus, October 8, 2010.

CENTRAL CAMPUS ACADEMIC RENOVATION & UTILITY IMPROVEMENTS PROJECT – PHASE 2 AT THE BALL STATE UNIVERSITY CAMPUS

Project Description and Staff Analysis

SUMMARY

The Central Campus Academic Renovation & Utility Improvements Project is part of Ball State University's strategic plan to improve the core facilities serving the Teachers College, the College of Applied Sciences and Technology, the College of Sciences and Humanities, and the offices providing academic advising to all undergraduate students. The entire project will be comprised of two phases involving three neighboring buildings: Teachers College Building, Applied Technology Building, and North Quadrangle Building. The renovations of these three major academic buildings in the central portion of campus will provide state-of-the-art learning environments for students and faculty to study and work.

DESCRIPTION OF THE PROJECT

The Central Campus Academic Renovation & Utility Improvements Project-Phase 2 was presented as the University's highest capital project priority for the 2009-11 biennium. The 2009 Indiana General Assembly approved and appropriated funding for Phase 2 of the project. While Phase 1 addressed the renovation of the North Quadrangle Building and began work on the Teachers College Building Phase 2 will build upon these improvements in Teachers College and also include the renovation of the Applied Technology Building. Most of the mechanical, plumbing and electrical infrastructure and systems of the Teachers College are original to the building. Little renovation has been initiated since the building's construction, and the facility is now reaching an age when many component replacement needs have emerged, making a complete renovation project necessary. Renovation of this building will include installation of a fire sprinkler system, replacement of the vertical electric bus system, replacement of all main air handling units, and evaluation of all other systems. The portion of this work that will not be addressed with Phase 1 funds will be completed in Phase 2. The proposed renovation of the Applied Technology Building will involve upgrading of laboratories and technology infrastructure; replacement of lighting systems; improvements to heating, cooling, and ventilation systems; replacement of plumbing and plumbing fixtures; installation of new electrical and communication systems; and replacement of original floor, ceiling, and wall materials. The facility also will be renovated to provide total access for people with disabilities.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

Teachers College and Applied Technology, the two buildings to be renovated in Phase 2, are located in the heart of the campus. Because of the building's environmental systems, fire exiting arrangements, and program needs, the renovation should be undertaken as a continuous, intense project.

Constructed in 1966, the Teachers College Building remains a signature building on the Ball State campus. This high-rise, 126,000 square foot facility has retained its original purpose of providing instructional classrooms and faculty offices in support of the well-regarded Teachers College. The building is intensely used by more than 4,000 Teachers College student majors and faculty members. When renovated, the Teachers College Building will support and reflect the fresh spirit and importance of Indiana's future teachers.

Formerly known as the Practical and Industrial Arts Building, the Applied Technology Building was constructed in two phases between 1948 and 1950. The facility is a 93,000 square foot, two-story structure containing classrooms, laboratories, and faculty offices for the technology and family and consumer sciences programs. Throughout its history, the Applied Technology Building has served multiple academic programs and practical applications. As teaching methods and technology have become more advanced, periodic small renovations have been accomplished. However, little upgrading has been made to the comprehensive building systems.

The Central Campus academic Renovation & Utility Improvements Project builds upon one objective of the University's strategic plan – to create a vibrant and supportive campus atmosphere. The work will not only provide for necessary life safety and mechanical, electrical, and HVAC improvements, but also modernize classrooms to support today's teaching and learning practices.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

N/A

ALTERNATIVES CONSIDERED

N/A

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

N/A

HISTORICAL SIGNIFICANCE

N/A

STAFF ANALYSIS

Ball State University is requesting favorable approval of the Central Campus Phase 2 project by the Commission. Phase 1 is a continuation of a major repair, renovation and utility upgrade project at the Ball State Campus, specifically the central quadrangle area that includes the Teachers College Building and the Applied Technology Building. The estimated cost of the Phase 2 project is \$19.7 million and would be funded entirely from state funds. The estimated fee replacement for this project is \$1.7 million annually. For 2011, BSU's estimated debt ratio is 10.3% and is projected to be 13.6% in 2013 based on Commission calculations.

Overall, the improvements being made will result in efficient buildings that offer academic space to students, faculty and staff at BSU. Estimated savings are difficult to determine at this time, however, BSU believes that with these new renovations and upgrades savings will be realized to help reduce the overall cost of operating these buildings. In addition, by renovating these buildings, much deferred repair and rehabilitation will be reduced overall for BSU and could result in less repair and rehabilitation funds in the future necessary to keep the campus maintained.

Staff notes that BSU has begun construction for Phase 1 with the North Quad and expects to complete the project by January of 2012. BSU is awaiting approval of Phase 2 in order to start renovations of Phase 1 Teachers College with the reasoning that savings could be created by bidding and starting all of Teachers College renovations for both Phases at the same time. With Phase 1 and 2 providing 50% of the work on the

Teachers College, BSU feels that having all funding in place at once would benefit the cost and renovation of the Teachers College. Staff notes that if funding is not provided for Phase 2 renovation only the North Quad renovation will be completed and the Teachers College and Applied Technology renovation will be placed on hold until funds are available.

AMENDMENT TO PROJECT AND STAFF RECOMMENDATION

Upon further review by BSU, Commission staff and the State Budget Agency, BSU has proposed an amended version to Phase II of the Central Campus Renovation.

BSU supports the amending the Phase II Central Campus Renovation amount from \$19.7 million to \$7.5 million to cover the cost of the remaining utility upgrades and renovations to the Central Campus area and final renovations to the Teachers College Building. This amendment would provide for 2 of the 3 buildings in the Central Campus plan to be completed and renovated and all utility upgrades and renovations finalized.

BSU will defer the renovation of the third building, Applied Technology to a later date. Originally, the Applied Technology building was scheduled to start renovation in middle of 2012. Through discussions with the Budget Agency and Commission staff, BSU has agreed that the Applied Technology building could be deferred to a later time but wishes to finalize the utility renovation of the Central Campus and the renovation of Teachers College.

The impact of this change will allow BSU to continue the renovation of Central Campus without having to create a hybrid utility system for the three buildings or leave portions of the Teachers College building lacking renovation work. The estimated fee replacement for the amended \$7.5 million project is approximately \$650,000 compared to the fee replacement for the entire \$19.7 million project at approximately \$1.7 million. Commission staff will note that BSU will need to seek approval from the Commission and the Budget Committee for the remaining \$12.2 million of authority for the Applied Technology building renovation. This most likely will occur sometime in 2011.