

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance, Facilities and Technology **Date of Meeting:** March 16, 2010

Agenda Item: FY2010 Capital Project Update

Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring

Information

Cite policy requirement, or explain why item is on the Board agenda: Board Policy 6.5.1, Capital Program Planning, requires the Board of Trustees to establish criteria for and approve a prioritized multi-year capital budget, approve capital project priorities and guidelines, and final capital projects lists.

Scheduled Presenter(s): Allan Johnson, Associate Vice Chancellor Facilities

Outline of Key Points/Policy Issues: A bonding bill totaling nearly \$1 billion was passed by the legislature on Monday, February 22. At the time of this writing, the bill has not been sent to the Governor, who indicated he would veto the entire bill. Further negotiations between the Governor and House and Senate leadership took place and a second conference committee proposal was presented on March 4.

Background Information: Capital budgets are presented to the legislature every two years in the even year of the biennium as part of a six-year capital plan.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

INFORMATION ITEM

FY2010 Capital Projects Update

BACKGROUND

In June 2009, the Board of Trustees approved the capital budget for submission to the governor and legislature. Prior to the start of the 2010 legislative session, legislative committees from both the House and Senate, including the respective higher education policy and capital investment committees, met and discussed projects proposed by the Minnesota State Colleges and Universities. A bonding bill totaling nearly \$1 billion was passed by the legislature on Monday, February 22. At the time of this writing, the bill has not been sent to the Governor, who indicated he would veto the entire bill if presented from the first conference committee. Further negotiations between the Governor and House and Senate leadership have taken place, and a second conference committee bill was proposed on March 4 (attachment A).

FY2010 PROJECTS

Attachment A is the project and priority list for 2010, annotated with the governor's recommendation and the funding proposed by the House, Senate and the conference committees. Following are some notable highlights:

- Higher Education Asset Preservation and Replacement (HEAPR): Of our \$110 million request, \$52 million was approved.
- Project priority number 7 for acquisition of property for Dakota County Technical College was withdrawn. We closed on the purchase of 66 acres of property from the University of Minnesota on February 1, 2010 for \$1.9 million. Funding came from system reserves and through an Office of the Chancellor loan to Dakota County Technical College.
- All projects, priorities number 2 through 25 were fully funded, with the exception of six projects. This accounted for all vetoed in 2008 and 2009. The priority number 14 project, Minnesota West Community Technical College, Worthington, fieldhouse renovation and addition was not funded.
- Five projects were not funded in their entirety, but were partially funded to complete design. These projects were already funded for partial design in 2008 and this will complete their design so that bidding documents will be completed. Those projects were
 - Project number 8 Alexandria Technical College Main Building renovation & addition
 - Project number 16 Anoka Ramsey Community College, Coon Rapids, Bioscience & Allied Health addition
 - Project number 17 North Hennepin Community College Bioscience & Health Careers Center addition

- Southwest Minnesota State University Science lab renovation
- Dakota County Technical College Transportation & emerging technologies
- The Workforce Center Collocation portion of project number 23 at Rochester Community and Technical College was funded without impact on either the system or college's debt service requirement. Funding for the Workforce Center building addition is to come through lease payments from the Department of Employment and Economic Development.
- New projects numbers 24 and 25 were fully funded. Project number 26 for the Normandale Community College classroom building was funded only to complete the design phase of the project rather than the full design and construction as was requested.
- New project proposals numbers 27 through 30 were not funded; neither was the property acquisition project number 31 for Bemidji State University and Minneapolis Community and Technical College.
- Legislators submitted bills for projects not on the Board's priority list for colleges in their districts, including:
 - \$3.0 million for Mesabi Range Community and Technical College, Virginia campus: building addition and renovations for the Arrowhead Institute of Technology, a 4-year engineering program in collaboration with MSU, Mankato. \$1 million for planning and predesign work had been funded in the 2009 legislative session; however the project had not been developed in time for submission in our capital budget process.
 - \$200,000 for Minnesota West Community and Technical College, Canby campus: to create a predesign and study to acquire land and design to construct a commercial-grade wind tower and turbine for the wind energy program at the college. This project is not defined, the location of the land is not identified, and no predesign work has been done. The college will prepare a predesign to address project scope, cost and schedule.
 - \$200,000 to Pine Technical College as a matching grant to a potential federal grant for a business incubator to be located on the campus. This grant appears in the Employment and Economic Development section of the bonding bill. The grant comes without debt service.
- Several other provisions of the proposed bonding bill will impact our colleges and universities. Language from the second conference committee was not available at the time of this writing, but from the first report the following is proposed:
 - \$12 million was approved for expansion and renovations to the Mankato Civic Center to include ice arena improvements for MSU, Mankato's women's hockey program. Project was reduced one million between the first and second conference committee.
 - Recycling of construction and demolition waste: Construction and demolition contracts must divert debris and waste from landfills and recycle at least 50% of the nonhazardous waste produced by the project. There are other qualifying provisions as well.

Minnesota State Colleges and Universities
2010 Bonding Side-by-Side
Numbers include user financing

Priority	Project Title	Request	Gov Rec	House	Senate	Conference Committee #1	Conference Committee #2	Final
1	HEAPR	110,000	50,000	60,000	50,000	52,000	52,000	
2	North Hennepin CC Business & Technology addition & renovation	14,782	14,782	14,782	14,782	14,782	14,782	
3	Systemwide - Classroom renovations & demolition	3,883	3,883	3,883	3,883	3,883	3,883	
4	Lake Superior College Health Science Center	12,098	12,098	12,098	12,098	12,098	12,098	
5	Metro SU Classroom Center	5,860	5,860	5,860	5,860	5,860	5,860	
6	NHED, Mesabi Shop space addition & renovation	5,477	5,477	5,477	5,477	5,477	5,477	
7	Dakota County Technical College Property acquisition (removed)	3,500						
8	Alexandria TC Main Building renovation & addition	4,363		4,363	4,363	4,363	0,200	
9	MSCTC, Moorhead Library & classroom addition	5,448		5,448	5,448	5,448	5,448	
10	Anoka Ramsey CC, Coon Rapids Fine Arts Building renovation	5,357		5,357	5,357	5,357	5,357	
11	Hennepin TC Learning Resource Center & Student Service Center renovation	10,566		10,566	10,566	10,566	10,566	
12	Minneapolis C&TC Workforce program renovation	12,990		12,990	12,990	12,990	12,990	
13	Ridgewater Technical instruction lab construction & renovation	14,300		14,300	14,300	14,300	14,300	
14	MNWest, Worthington Fieldhouse renovation & addition	4,641		4,641	4,641	4,641		
15	South Central College, Fairbault Classroom renovation & addition	13,360		13,360	13,360	13,360	13,360	
16	Anoka Ramsey CC, Coon Rapids Bioscience & Allied Health addition	16,484		16,484	16,484	16,484	0,400	
17	North Hennepin CC Bioscience & Health Careers Center addition	26,581		26,581	26,581	26,581	0,600	
18	MSU Moorhead Livingston Lord Library & Information Technology renovation	14,901		14,901	14,901	14,901	14,901	
19	Southwest Minnesota SU Science lab renovation	5,666		5,666	5,666	5,666	0,200	
20	St. Cloud SU Integrated Science & Engineering Laboratory Facility	42,334		42,334	42,334	42,334	42,334	
21	Dakota County TC Transportation & emerging technologies lab renovation	7,230		7,230	7,230	7,230	0,300	
22	St. Cloud TC Allied Health Center renovation	5,421	5,421	5,421	5,421	5,421	5,421	
23	Rochester C&TC Workforce Center co-location	3,238		3,238	3,238	3,238	3,238	
24	Systemwide - Renovations for science, technology, engineering & math programs	4,835		4,835	4,835	4,835	4,835	
25	Minnesota SU, Mankato Clinical Science Building design	1,908		1,908	1,908	1,908	1,908	
26	Normandale CC Academic Partnership Center & Student Services Building	22,984	22,984	22,984		1,000	1,000	
27	Bemidji SU Business building addition design & demolition	3,425		3,425				
28	Metro SU Science Education Center design & property acquisition	3,444		3,444				
29	Rochester C&TC Classroom renovation design	0,987						
30	Systemwide - library renovations	3,448						
31	Bemidji SU & Minneapolis C&TC Property acquisition	7,300			2,000			
	Minnesota West C&TC Canby Wind Turbine Training Facility			4,000		3,000	0,200	
	NHED Mesabi Range C&TC, Virginia Iron Range Engineering Program			3,000	0,263	3,000	3,000	
	Rochester C&TC Workforce Center (DEED Lease Funding) User Financing			5,262	5,262	5,262	5,262	
	Pine Technical College Business Incubator (Non Add)			0,200	0,200	0,200	0,200	
	Total	396,811	114,645	343,838	297,340	305,985	239,920	
	HEAPR	110,000	50,000	60,000	50,000	52,000	52,000	
	Projects	286,811	64,645	283,838	247,340	253,985	187,920	
	User Financing	95,604	21,548	98,121	85,955	88,170	60,886	
	General Obligation	301,207	93,097	245,717	211,385	217,815	179,034	
	RCTC WFC lease financing (included in UF)	0	0	5,262	5,262	5,262	5,262	