

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

Agenda Item Summary Sheet

Committee: Finance and Facilities

Date of Meeting: March 21, 2012

Agenda Item: Minnesota State College – Southeast Technical
Transportation Building Addition Approval

- Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda:

Contracts with a value greater than \$3 million require Board approval pursuant to *Board policy 5.14*.

Scheduled Presenter(s): Brian Yolitz – Associate Vice Chancellor of Facilities

Outline of Key Points/Policy Issues:

The purpose of this request is to seek Board approval for Minnesota State College – Southeast Technical to proceed with construction contracts which collectively exceed \$3 million for their Transportation Building project on the Winona campus.

Background Information:

The law allows the Board to use proceeds from the sale for use on capital projects at the institution that was responsible for management of the land or improvement, after paying all expenses incurred in selling or disposing of the land.

Southeast Technical plans to use the sale proceeds of the Aviation Training Center building at the college’s Winona campus to construct a 25,000 square foot Transportation Center addition to their existing truck driver training building at a cost of \$3.8 million.

The campus also plans to complete campus road enhancements to improve traffic flow and pedestrian safety totaling \$390,000. The campus intends to use its own operating funds to finance the differential between the sale proceeds and the project cost. The project is consistent with the campus’s 2009 Facilities Master Plan.

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

BOARD ACTION
Minnesota State College – Southeast Technical Transportation Building Addition Approval

PURPOSE

The purpose of this request is to seek Board approval for Minnesota State College – Southeast Technical to proceed with construction contracts which collectively exceed \$3 million for their Transportation Building project on the Winona campus. Contracts with a value greater than \$3 million require Board approval pursuant to *Board policy 5.14*.

BACKGROUND

In March 2011, the Board approved the sale of the Minnesota State College – Southeast Technical Aviation Training Center building in Winona for \$2.25 million, after declaring it as surplus property in January 2009. The college planned to use the sale proceeds to construct a Transportation Center addition to their existing truck driver training building at the college’s main Winona campus.

The law allows the Board to use proceeds from the sale or disposition of land or improvements for use on capital projects at the institution that was responsible for management of the land or improvement, after paying all expenses incurred in selling or disposing of the land. Additional legislation enacted in 2009 for the sale of the Aviation Center exempted the Board from certain provisions of Minn. Stat. §16A.695 related to the repayment of general obligation bonds. In addition, the legislation explicitly authorized the Board to use the net proceeds from the sale of the Aviation Center for a capital project at the Winona campus.

The project under consideration is a 25,000 square feet addition for new auto body collision, automotive technology space, improved truck driving instruction space, and includes restrooms and computer space. The total project cost is \$3.8 million.

The total project includes a construction contract estimated at \$2.6 million. In addition, the campus provided and will install furnishings, fixtures and equipment including 11 automotive hoists, pulling and alignment racks, paint booths, dust collection system, tire balancers and changers, and additional miscellaneous shop equipment, storage, and furniture totaling approximately \$810,000. The campus also plans to complete campus road enhancements to improve traffic flow and pedestrian safety totaling \$390,000. The campus intends to use its own operating funds to finance the differential between the sale proceeds and the project cost. The project is consistent with the campus’s 2009 Facilities Master Plan.

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends the Board of Trustees adopt the following motion.

The Board of Trustees authorizes construction contracts that collectively exceed \$3 million for the Minnesota State College – Southeast Technical Winona campus Transportation Building Addition project, subject to the Chancellor or his designee's approval of final design documents and project costs.

RECOMMENDED MOTION:

The Board of Trustees authorizes construction contracts that collectively exceed \$3 million for the Minnesota State College – Southeast Technical Winona campus Transportation Building Addition project, subject to the Chancellor or his designee's approval of final design documents and project costs.

Presented to the Board of Trustees: on March 21, 2012