

CAPITAL PROJECTS DETAIL

230 University of North Dakota

Version: 2015-R03-00230

Date: 12/23/2014

Time: 12:13:45

Capital Project			
SMHS Completion			
	Total Project Cost	Request/Optional	Recommendation
	General Fund	62,000,000	62,000,000
	Federal Funds	0	0
	Special Funds	0	0
	Bonding	0	0

Is this a multibiennium project? No of Biens: 2 Est. Costs 122,450,000

Future Increased Costs Associated with Project Approval								
	2015-2017	2017-2019	2019-2021		2015-2017	2017-2019	2019-2021	
Salaries and Wages	1,044,714	1,149,185	1,264,104	FTE	0.00	0.00	0.00	
Operating Expenses	4,398,270	4,738,097	5,211,907	General Fund	5,442,984	5,887,282	6,476,011	
Equipment > \$5,000	0	0	0	Federal Funds	0	0	0	
IT Equipment > \$5,000	0	0	0	Special Funds	0	0	0	
Special Lines	0	0	0	Total	5,442,984	5,887,282	6,476,011	
Total	5,442,984	5,887,282	6,476,011					

Project Specifications

The 63rd Legislative Assembly authorized \$122,450,000 for the construction of the new Medical School.

Construction is underway on the Grand Forks campus. \$60,450,000 in state general funds were appropriated during the current 13-15 biennium, with borrowing authorized for the balance of \$62,000,000 per Section 23 of SB2003 (2013) as follows:

SECTION 28. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES FACILITY PROJECT - LOAN AUTHORIZATION. The legislative assembly authorizes the construction of the university of North Dakota school of medicine and health sciences facility project to be funded in two phases as provided under this section. The capital assets line item in subdivision 5 of section 1 of this Act includes the sum of \$60,450,000, or so much of the sum as may be necessary, for phase 1 of the project. The university of North Dakota may also seek funding from the capital projects contingency pool in accordance with section 24 of this Act for costs associated with phase 1 of the project. During the biennium beginning July 1, 2013, and ending June 30, 2015, and continuing into the biennium beginning July 1, 2015, and ending June 30, 2017, the state board of higher education may borrow the sum of \$62,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota for completion of phase 2 of the school of medicine and health sciences facility project. The state board of higher education shall seek funding from the sixty-fourth legislative assembly to repay the loan authorized under this section.

Cost Benefit Analysis

Not applicable, as this is a request for reauthorization of a project that has already been authorized in the 2013-15 biennium.

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Capital Project			
Student Engagement			
	Total Project Cost	Request/Optional	Recommendation
	General Fund	6,000,000	6,000,000
	Federal Funds	0	0
	Special Funds	6,000,000	6,000,000
	Bonding	0	0

Is this a multibiennium project? No of Biens: 1 Est. Costs 6,000,000

Future Increased Costs Associated with Project Approval							
	2015-2017	2017-2019	2019-2021		2015-2017	2017-2019	2019-2021
Salaries and Wages	0	0	0	FTE	0.00	0.00	0.00
Operating Expenses	0	0	0	General Fund	0	0	0
Equipment > \$5,000	0	0	0	Federal Funds	0	0	0
IT Equipment > \$5,000	0	0	0	Special Funds	0	0	0
Special Lines	0	0	0	Total	0	0	0
Total	0	0	0				

Project Specifications

In January 2014 the State Board of Higher Education authorized UND to raise funds of up to \$6,000,000 to support the expansion of space available and tailored to enhance student engagement.

Funds will be used for renovation and/or new construction for a variety of facility needs which, although not yet designed, would be developed in consideration for the need to better engage students in the academic process of learning.

In anticipation of success in raising the necessary funding, this non-state funded project is being submitted for Legislative approval.

Note: This project may be submitted to the Office of the Governor for inclusion within the state matching grant program.

Cost Benefit Analysis

Not applicable. This is not a new building construction project.

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Capital Project

UND Airport Project

	Request/Optional	Recommendation
Total Project Cost	16,000,000	16,000,000
General Fund	16,000,000	16,000,000
Federal Funds	0	0
Special Funds	0	0
Bonding	0	0

Is this a multibiennium project? No of Biens: 1 Est. Costs 16,000,000

Future Increased Costs Associated with Project Approval

	2015-2017	2017-2019	2019-2021		2015-2017	2017-2019	2019-2021
Salaries and Wages	0	0	0	FTE	0.00	0.00	0.00
Operating Expenses	0	0	0	General Fund	0	0	0
Equipment > \$5,000	0	0	0	Federal Funds	0	0	0
IT Equipment > \$5,000	0	0	0	Special Funds	0	0	0
Special Lines	0	0	0	Total	0	0	0
Total	0	0	0				

Project Specifications

The proposed project is a much needed \$16 million dollar repair and reconstruction of the apron/ramp (aircraft parking area) that UND's Aerospace program utilizes on a daily basis at the Grand Forks International Airport.

Normally, the request of funding for the repair and reconstruction of airport pavement would flow from the Grand Forks Airport to the State Aeronautics Commission and the Federal Aviation Administration. Pavement that is considered public-use would carry an expectation that the project would be eligible to receive up to 90% of grant funding from the FAA and 5% of grant funding from the state. A number of years ago, the FAA released new guidance that now precludes the utilization of public funds to provide funding for exclusive-use apron/ramp space at the nation's airports. The airport and the University have worked feverishly with the FAA to try and reverse this decision, but to no avail.

The North Dakota Aeronautics Commission recently conducted a statewide pavement condition study that revealed that UND's apron is currently in dire need of major reconstruction. The pavements were originally constructed in the 1980's and are currently in very poor condition. Safety concerns of students, staff, and equipment are present when utilizing pavements with poor conditions and a reconstruction of this pavement is critical to ensure the safe operation of North Dakota's premier aviation school which operates a fleet of over 100 aircraft.

The North Dakota Aeronautics Commission, the Grand Forks Airport, and UND have already had conversations with the Governor's office regarding the need for this project as all entities agree that the University's apron is a state asset in desperate need of a solution. The mechanism for funding this project cannot come through the North Dakota Aeronautics Commission, as their funding priorities mirror the FAA; and if their policy were reversed, every public use airport in the state would ask for funding from the Aeronautics Commission for exclusive-use aprons. At this point in time, it is thought that the best mechanism for this funding would be an allocation in the Governor's budget directly to UND, and have UND administer the funds for the rebuilding/repair of the University's aircraft apron.

This project has unilateral support from the city and county of Grand Forks, the Grand Forks Regional Airport Authority, the North Dakota Aeronautics Commission, and UND. We ask that this late submission be incorporated into the high priority projects being requested for UND in this upcoming Legislative Session.

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