

CAPITAL PROJECTS DETAIL

242 Valley City State University

Version: 2015-R03-00242

Date: 12/23/2014

Time: 12:26:43

Capital Project

Health, Wellness, and Physical Education Facility

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

Is this a multiennium 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 | | | | |
| Equipment > \$5,000 | 0 | 0 | 0 | General Fund | 0 | 0 | 0 |
| IT Equipment > \$5,000 | 0 | 0 | 0 | Federal Funds | 0 | 0 | 0 |
| Special Lines | 0 | 0 | 0 | Special Funds | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | Total | 0 | 0 | 0 |

Project Specifications

Project Title: VCSU Health, Wellness and Physical Education Facility
 Amount Requested: \$16,000,000
 Amount Recommended: \$16,000,000
 Funding Source: \$15,000,000 private and \$1,000,000 state challenge

Scope of Work: Construction of a new wellness facility on the VCSU campus that will include classroom, faculty and lab space; fitness equipment; an indoor walking track; multipurpose courts; and pool. The facility will be used to support Athletic Training, Exercise Science, Health Education, and Physical Education academic programs, as well as serve as a wellness center for the student population, community members with paid memberships.

Cost Benefit Analysis

This project will be funded primarily by private funds and will be operated by Valley City Parks and Recreation (VCPR). VCSU will rent space from VCPR for much of its Health and Physical Education program and will not have personnel or other related operating expense responsibility.

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| Capital Project | | | |
|---------------------------|---------------------------|-------------------------|-----------------------|
| Heating Plant Replacement | | | |
| | Total Project Cost | Request/Optional | Recommendation |
| | General Fund | 14,289,000 | 14,289,000 |
| | Federal Funds | 0 | 0 |
| | Special Funds | 0 | 0 |
| | Bonding | 0 | 0 |

Is this a multiennium project? No of Biens: 1 Est. Costs 14,289,000

| 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

Project Title: VCSU Heating Plant Replacement
 Amount Requested: \$14,289,000
 Amount Recommended: \$14,289,000
 Funding Source: State General Funds

Currently, VCSU has limited energy resources for heating due to a lack of overall natural gas supply to this area. During extreme cold spells, the utility provider curbs the use of natural gas in order to ascertain sufficient supply for residential customers, effectively limiting VCSU to other energy sources. For practical purposes, alternative sources include coal, fuel oil, or propane.

The existing coal-fired boilers at VCSU are placed within a stand-alone facility, and distribute steam to the campus via direct-buried steam lines. This type of heating system is common within institutional settings whereby a central plant serves many buildings, and generates numerous cost efficiencies as a result. It also creates a single point of failure for all campus as no individual building has a separate stand-by source of heat.

The existing boilers and heating plant structure have significant deferred maintenance liabilities, as well as sub-standard egress and ventilation. The boiler has failed on numerous occasions, and cannot be economically repaired. Boiler replacement efforts would require substantial amounts of demolition to the facility, greatly reducing the cost effectiveness of the repair. As a result, the most efficient long-term solution is to replace both the boiler systems and building, correcting all life-safety issues within the heating plant, as well as mitigating future life safety concerns for loss of heat during severe weather.

The anticipated plan is to replace the three old outdated boilers with two new efficient boilers. The VCSU Heating Plant replacement project has therefore risen to the top of the capital project priority recommendation due to the critical nature of its use, and the subsequent potential catastrophic results of the upcoming near-certain failure.

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VCSU anticipates the following regarding the Heat Plant Replacement:

- Utility costs will be reduced due to the use of coal as a backup fuel to create steam versus fuel oil which costs about four times as much.
- Labor costs to be lower due to reduced overtime related to the manual efforts involved in raking ash out of the coal boiler.
- Less maintenance costs due to new equipment versus equipment that is over 50 years old.
- No additional FTE are required as part of the replacement.

A thorough cost/benefit analysis has not been completed due to final design and components to be included still underway.

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Capital Project

Communication and Fine Arts Building

| | Request/Optional | Recommendation |
|---------------------------|------------------|----------------|
| Total Project Cost | 25,850,000 | 25,850,000 |
| General Fund | 25,850,000 | 25,850,000 |
| Federal Funds | 0 | 0 |
| Special Funds | 0 | 0 |
| Bonding | 0 | 0 |

Is this a multiyear project? No of Biens: 1 Est. Costs 25,850,000

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 | | | | |
| Equipment > \$5,000 | 0 | 0 | 0 | General Fund | 0 | 0 | 0 |
| IT Equipment > \$5,000 | 0 | 0 | 0 | Federal Funds | 0 | 0 | 0 |
| Special Lines | 0 | 0 | 0 | Special Funds | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | Total | 0 | 0 | 0 |

Project Specifications

Project Title: VCSU COMMUNICATION & FINE ARTS BUILDING, including demolition of Foss and McCarthy

Amount Requested: \$25,850,000

Amount Recommended: \$25,850,000

Funding Source: State General Funds

This request responds to the efforts of the City of Valley City to establish permanent flood protection for the VCSU campus and surrounding area. The proposed building will consolidate all of VCSU's fine arts programs under one roof, along with communication arts programs, providing updated facilities for the fine arts programs, and professional communication, language, and literature programs. The facility will replace the current Foss Hall, assisting in Valley City's permanent flood protection efforts, and will allow VCSU to relocate the remaining programs in McCarthy Hall and raze it, thereby removing two older buildings from VCSU's deferred maintenance list.

Project includes removal of Foss Hall-music building (\$2,177,916) and McCarthy Hall (\$5,585,744). Valley City is located in the Sheyenne River valley, one of the oldest post-glacial stream beds in the upper plains. The river drains a large area of eastern North Dakota agricultural land as it flows south, then eastward to the Red River of the North. Recently, and due to heavy winter snow followed by a rapid spring melt, the Sheyenne River flooded and significantly damaged Valley City where the river flows through the center of the community, and directly past VCSU.

Mitigation of this type of seasonal flooding is most often accomplished by creating a path of unimproved green space (flood way) adjacent to the river, with permanent flood walls constructed to contain the peak flows as the river current moves unimpeded through the community. Creating the path requires the purchase and subsequent demolition of structures currently adjacent to the river. VCSU's Foss Hall is within the planned flood way, and must be removed in order to ensure the proper operation of the permanent flood protection system. Due to economic limitations, Valley City is unable to fund the purchase and removal of the building, and therefore seeks assistance from the State of North Dakota to not only remove the building, but cost share on the permanent flood protection system which will benefit all state agencies (including VCSU) within Valley City.

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With consideration for a new facility, VCSU recognized an opportunity to demolish another facility on the VCSU campus having significant deferred maintenance and limited opportunity for improvement (McCarthy Hall), and subsequently expand the project to consolidate art programs under one roof. As a result, the project is driven by a number of factors, not all of which are part of core NDUS needs. Discussions regarding this project should reference all the various stake holders to ensure the appropriate constituents voice their support and responsibility.

The VCSU Fine Arts Building ranks third in capital project priority recommendations as it corrects a significant amount of deferred maintenance through demolition, which in turn results in improved operating efficiencies by replacing facilities with modern, cost effective units. In addition, the primary initiative for new construction is the demolition of Foss Hall. Consideration to support removal of the building should be considered carefully should a breach or failure of the flood protection in the future be the result of not removing the facility.

Cost Benefit Analysis

VCSU expects the following related the the new Communication and Fine Arts Building versus McCarthy and Foss Halls:

- Ongoing operating expenses including building services staff and related products are expected to remain the same due to new finishes incorporated in the building.
- Utilities will increase slightly as there is more square footage in the new building than what is being removed, offset by more energy efficient space.
- Costs related to major repairs and equipment replacement will be reduced significantly as McCarthy Hall has deferred maintenance totalling 76% of its replacement cost and Foss Hall's maintenance backlog.

VCSU has not completed a thorough cost/benefit analysis as the engaged architect has just completed predesign for the building.