



Building Projects – HB1084

Issue Brief No. 4 – February 2008

Synopsis: The 2005 10-Year Capital Improvement plan (House Bill 1025) included projects for the University of South Dakota and South Dakota State University. The scope of the projects has been altered and requires additional funding authority to complete the projects as planned. Considering the alterations and the impact of inflation, new funding plans are in place to complete the projects within their new scope.

South Dakota State University

The Shepard Hall Project

Original Cost

- \$30 million total project cost, including \$24 million in bonds and \$6 million in donations

Original Scope

- Demolish Pharmacy
- Demolish Old Shepard
- Construct new science addition for undergraduate chemistry education
- Limited development for College of Pharmacy
- No development for environmental health and safety offices
- No development for research facilities for chemistry faculty and researchers

Current Cost

- \$51 million project costs, including \$24 million in bonds and \$27 million in donations
- Component breakdown is as follows:
 - \$24 million in revenue bonds (science addition and portion of chiller plant)
 - \$6 million donation (Avera Health's donation to fund science addition and portion of chiller plant)
 - \$9 million donation (Avera Health's donation to fund Shepard Hall renovations, steam infrastructure upgrades, and remainder of chiller plant)
 - \$1.3 million in donations (provides remainder of funding for Shepard Hall renovations, steam infrastructure upgrades, and remainder of chiller plant)
 - \$9.7 million in donations (funds movable equipment, furnishings, and lab equipment)

Current Scope

- Demolish Pharmacy
- Demolish Old Shepard
- Construct new science addition (96,000 gsf) for undergraduate chemistry education

- Construct new chiller plant to serve the science addition and Shepard Hall, with potential to serve other buildings on campus with added cooling towers and chillers
- Complete renovation of Shepard Hall (48,000 gsf) for research laboratories and equipment spaces
- Infrastructure improvements:
 - Steam infrastructure upgrades
 - Utility connection upgrades
- Demolition of Heat Power Lab to provide site for the chiller plant
- Asbestos abatement of Shepard Hall
- Additional work for College of Pharmacy to allow growth from 90 to 120 students
- Office and lab facilities for environmental health and safety offices
- Movable equipment, furnishings, and shared space costs

The University of South Dakota

The Slagle Hall Project

Original Cost

- \$6.6 million total project cost estimated in 2005

Current Cost

- Estimated at approximately \$8.5 million, to include fixed HEFF dollars of \$4.6 million and gifts of \$3.6 million, with some outstanding requests

Original Scope vs. Current Scope

- Amount of renovation was underestimated to meet contemporary teaching and performance standards
 - Theater rigging and fixed equipment needs were also underestimated
 - Request is for \$8.1 million, plus 5 percent inflation to August 2008, for \$8.5 million total
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The Business School Replacement

Original Cost

- \$14.1 million total project cost estimated in 2000

Current Cost

- Estimated at approximately \$20.5 million, to include fixed HEFF dollars of \$5.4 million

Original Scope vs. Current Scope

- Original project estimate did not include adequate funds for technology and other equipment or the contingency
- Construction costs have increased significantly since 2000 as a 6 percent inflation alone would yield an increase to \$22.5 million in 2008
- Building size was reduced
- Additional private funds were raised
- Remaining funds will come from external/other funds
- Request is for \$19.7 million, plus 4 percent inflation to March 2008 bid date, for \$20.5 million total

South Dakota School for the Deaf

Myklebust Recreational Center Renovation

Original Cost

- \$516,520 total renovation cost approved in 2005, plus \$50,000 from a previously approved M&R gymnasium project, totaling \$566,520

Current Cost

- \$838,192, which includes the original cost of \$566,520 and the estimated cost increase of \$271,672 for newly discovered structural repairs

Original Scope vs. Current Scope

- Upgrades for Americans with Disabilities Act requirements included bathroom renovations, locker room renovations, stage renovations, and wheelchair-accessible entrances
- Refinish gym floor
- East-end building addition
- HVAC, bleacher, scoreboard, and sound system upgrades
- Original scope did not account for structural deficiencies discovered during renovation process, adding correction expense