

**SOUTH DAKOTA BOARD OF REGENTS**

**Committee on Budget and Finance**

**AGENDA ITEM: III - E**

**DATE: October 14-15, 2009**

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**SUBJECT: South Dakota State University – Apartment Complex  
Preliminary Facility Statement**

South Dakota State University requests approval of their Preliminary Facility Statement to develop a construction plan for an apartment complex in the northwest quadrant of the campus. SDSU has been working with facility planning consultants, Brailsford and Dunlavey and architect, Atunovich and Associates in determining scope, scale and features of such a facility. The apartment complex project site is bounded by the Ag Heritage Museum on the south, Medary Avenue on the east, the existing parking lot to the north and an existing parking lot to the west.

The SDSU Residential Life and Dining Services Master Plan was approved by the Board at their October 2008 meeting. This plan calls for SDSU to investigate the need for upper division and graduate student housing and family student housing. The proposed apartment complex was the result of the consultant’s study as outlined in SDSU’s attached facility statement document.

Funding for this project will come from traditional bonded revenues derived from student housing fees. Additionally, private capital may also be used as a fund source. SDSU will need to finalize cost estimates and planning to the Board in their Facility Program Plan for this project.

SDSU continues to look at the possibility of replacing Hansen Hall as part of their Residential Master Plan. This could become part of the Facility Program Plan depending on further analysis by SDSU and the consultants.

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**RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR**

Approve SDSU’s Preliminary Facility Statement to develop a construction plan for an apartment complex in the northwest quadrant of campus. Funding for this project will come from bonded revenues derived from student housing fees. If approved, SDSU will need to present final cost estimates and planning to the Board in their Facility Program Plan. A building committee should be formed and the Board President should appoint a building committee representative to this project.

**PRELIMINARY FACILITY STATEMENT  
APARTMENT COMPLEX CONSTRUCTION  
SOUTH DAKOTA STATE UNIVERSITY  
October 2009**

**1) General Programmatic Needs To Be Addressed:**

The SDSU Residential Life and Dining Services Master Plan, approved by the BOR in October 2008 calls for SDSU to “Investigate the need for upper-division and graduate student housing and family student housing,” on the northwest quadrant of campus. Facility planning consultants, Brailsford and Dunlavey, and architect, Atunovich and Associates, were engaged to assist SDSU in determining scope, scale, and features of such facilities. A market demand analysis testing floor plans, price points, and apartment amenities was conducted with 1,455 upper-division students responding to the survey. Results of the survey indicated that there was substantial interest in apartment-style living on-campus. Based on the outcome of the demand modeling, Brailsford and Dunlavey suggest the development of apartment complexes on the northwest quadrant of campus.

**2) Analysis of the Student Body or Constituents to be Served:**

New apartment complexes will improve SDSU’s ability to provide “life-cycle” housing to students wanting the convenience and educational advantages of the ability to live on campus throughout an undergraduate career and beyond. Straightforward comparisons of anticipated enrollment growth in the upper-division students potentially served by this complex further substantiate the need for this facility.

**Anticipated Upper-Division Enrollment**

<b>Class</b>	<b>2008-09</b>	<b>2012-13</b>	<b>% Increase</b>
<b>Junior</b>	1,736	2,082	19.9
<b>Senior</b>	2,152	2,580	19.8
<b>Graduate</b>	1,435	2,152	49.9
<b>TOTAL</b>	<b>5,323</b>	<b>6,814</b>	<b>21.8</b>

**3) Additional Services to be Provided:**

Current conceptual configuration for the proposed facilities calls for comfort cooling throughout the facility, covered parking, and approximately 4,000 square feet of retail space located on the ground floor. Suggested retail may include: food service, grocery / convenience items and a coffee shop.

#### **4) Compliance with Campus Master Plan:**

This project is in compliance with SDSU's updated 2025 Facility Master Plan and the aforementioned Residential Life and Dining Services Master Plan. This project extends the theme of creating undergraduate and upper-division neighborhoods in separate quadrants of campus. This project also initiates Phase II conceptual work set to begin in 2010 of the Residential Life and Dining Services Master Plan.

#### **5) Analysis of Needs Assessment Based on Facilities Utilization Report:**

In the Spring of 2009 SDSU along with Brailsford and Dunlavy undertook an in-depth look of the housing market in Brookings this analysis included.

- A study of 102 off-campus units averaging 4.2 minutes drive time from campus, ranging from studio/efficiency configurations to six-bedroom units, with rental rates between \$319 - \$1,631; utilities excluded. A review of this data contributed to an understanding of appropriate pricing and features for on-campus apartment units.
- Conducted a series of in-person focus groups with the target market demographic of upper-division students. A second series of focus groups with faculty and staff germane to the project was also conducted.
- A 35-question survey designed to assess student preferences, usage patterns, and perceptions as they pertain to apartment living was sent to all off-campus upper-division students taking courses on the Brookings main campus. Respondents helped further refine student preferences in apartment configuration, amenities and price points.

#### **6) Location:**

The apartment complex project site is bounded by the Ag Heritage Museum on the south, Medary Avenue on the east, the existing parking lot on the north and existing parking lot on the west. The larger northwest neighborhood area for potential development extends from the intersection of Medary Avenue and 11<sup>th</sup> Street; runs north along Medary Avenue to the Hwy. 14 by-pass; west to the flood plain formed by the creek bed; and south to 11<sup>th</sup> Street.

**7) Reallocation of Old Space If Any:**

No reallocation of space is anticipated in the development of the apartment complex. As the project developer (identified by RFP) reviews the northwest quadrant as a whole they will be asked to study the functionality of Hansen Hall in the newly defined neighborhood. This review of Hansen's occupancy-type is previously identified in the approved SDSU Residential Life and Dining Services Master Plan which calls for SDSU to replace and/or reconfigure Hansen Hall in Phase II of master plan implementation.

**8) Proposed Funding Sources:**

SDSU intends to remain flexible regarding financing options for the development of the northwest quadrant facilities. Potentially SDSU will pursue traditional funding sources which would be bonded revenues derived from student fees for housing. However, in the event private capital is available, then these monies would be used as the funding source. In either the public-funded or privately-funded scenario a developer will be used to identify the optimum facility type(s) to meet Master Plan goals.

**9) Budget for Development of a Facility Program Plan**

Pending BOR approval an RFP for apartment complex development would be completed by SDSU. This RFP will be to propose developmental facility concepts for the northwest corner. Final building design will be determined by the competitive RFP process with contract and development responsibilities awarded per BOR policies.

**SOUTH DAKOTA BOARD OF REGENTS**

**Committee on Budget and Finance**

**AGENDA ITEM: III - F**

**DATE: October 14-15, 2009**

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**SUBJECT: South Dakota State University – South Dakota Art Museum HVAC Facility Program Plan**

South Dakota State University requests approval of their Facility Program Plan to renovate the Heating Ventilating and Air Conditioning System for the South Dakota Art Museum. The estimated cost of this project is currently \$1,800,000.

This renovation project will increase the reliability and performance of the HVAC system and will also provide an acceptable humidity and temperature controls for long term storage of valuable art work and museum artifacts.

Additional details of SDSU’s request can be found in their attached Facility Program Plan document.

Funding for this project will come from designated M&R HEFF funds over a three-year period starting in FY10. Funds in the amount of \$600,000 will be earmarked for each annual M&R HEFF project list through FY12. Cash flow for this project will come from a loan against non-appropriated cash balances.

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**RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR**

Approve SDSU’s Facility Program Plan to renovate the HVAC system in the South Dakota Art Museum at an estimated cost of \$1,800,000. Funding for this project will come from three annual \$600,000 M&R HEFF fund payments to repay the loan designated specifically for this project.

**FACILITY PROGRAM PLAN  
FOR  
HEATING VENTILATION AND AIR CONDITION  
RENOVATIONS  
SOUTH DAKOTA ART MUSEUM  
SOUTH DAKOTA STATE UNIVERSITY  
SEPTEMBER 8, 2009**

South Dakota State University requests approval of this Facility Program Plan to pursue the renovation of the existing HVAC system in the South Dakota Art Museum. Hammel, Green, & Abrahamson has been selected as the Architect and Engineer for this project as approved by the building committee. This project is intended to increase the reliability and performance of the heating, ventilation, and cooling system. This will provide an acceptable environment for long term storage of valuable art work.

**A. PROGRAMMATIC JUSTIFICATION FOR DISCRETE SPACES:**

The types of spaces in this building will not change. This project is essentially an M&R project intended to increase reliability of the heating, ventilation, and air conditioning system and provide an environment that has tighter control of temperature and humidity for long term storage of valuable art work. The current system lacks the temperature and humidity control required for proper preservation of Museum artifacts. This puts Museum artifacts at risk of being damaged. Much of the mechanical equipment is also old and failing. The scope of the project includes the following:

Upgrade Hydronic Heating System

Currently the building is heated by a combination of steam and hot water heating coils. The hydronic heating upgrade will convert the entire building to hot water heat.

Eliminate Existing Chillers and Tie into Campus Chilled Water System

The existing chillers are failing and well past their usable life. They will need to be replaced regardless of the project scope. In lieu of repairing the chillers stationed outside the building, the building will be tied to the new campus chilled water system.

Replace Air Handling Units 1 & 2 (AHU-1 & AHU-2)

The original building AHU-1 and AHU-2 are at the end of their expected life, and becoming increasingly harder to maintain. The original building was designed with ceilings which were removed during the last renovation. This limited the effectiveness of the original AHUs because the volume of the conditioned space increased but the capacity of the air handlers did not. They also currently use steam for heating. AHU-1 is so tightly wedged into its mechanical space a major failure will require building renovations to make a significant repair or replacement. The replacement of AHU-1 will include the renovation of its mechanical room to make it more accessible for maintenance. The new AHUs will be fitted with hot water reheats and designed for the buildings open floor.

Upgrade Air Handling Units 3 & 4 (AHU-3 & AHU-4)

AHU-3 and AHU-4 need to be modified in order to maintain the overall building balance and required air quality conditions. AHU-3 will be revised from a variable air volume unit to a constant volume unit. Also as part of this upgrade a separate split system air

conditioning unit will be installed to serve the loading dock. Modifications to AHU-4 will include eliminating outside air economizer, and adding carbon dioxide ventilation control. For both units the motor size will be increased, better filters will be installed, and the return air will be ducted.

Misc. Vestibule and Building Envelope Work

Miscellaneous vestibule and building envelope work is needed to decrease air and humidity infiltration into the building.

**B. GROSS SQUARE FOOTAGE:**

The gross square footage of the existing building is 26,711 sq feet. No additional square footage is planned.

**C. SITE ANALYSIS**

The project location is the South Dakota Art Museum located on the west side of the historic Campus Green.

**D. DESCRIPTION OF KEY BUILDING FEATURES:**

Reference description of project scope shown in programmatic justification.

**E. ILLUSTRATIVE FLOOR PLANS:**

Preliminary floor plans are attached.

**F. INITIAL COST ESTIMATES:**

A preliminary estimate of the total costs for this project is \$1,800,000.

**G. IMPACT TO M&R:**

Impact to M&R will be negligible because we are replacing an existing system.

**H. BUDGET FOR ONGOING OPERATIONAL COSTS:**

The budget for operational costs will not change. The change in operational costs will be negligible with the possibility of slightly decreasing due to higher efficiency.

**I. PROPOSED FUNDING SOURCES FOR COSTS OF:**

**i. CONSTRUCTION**

Funded through HEFF M&R dollars.

**ii. ONGOING OPERATIONS**

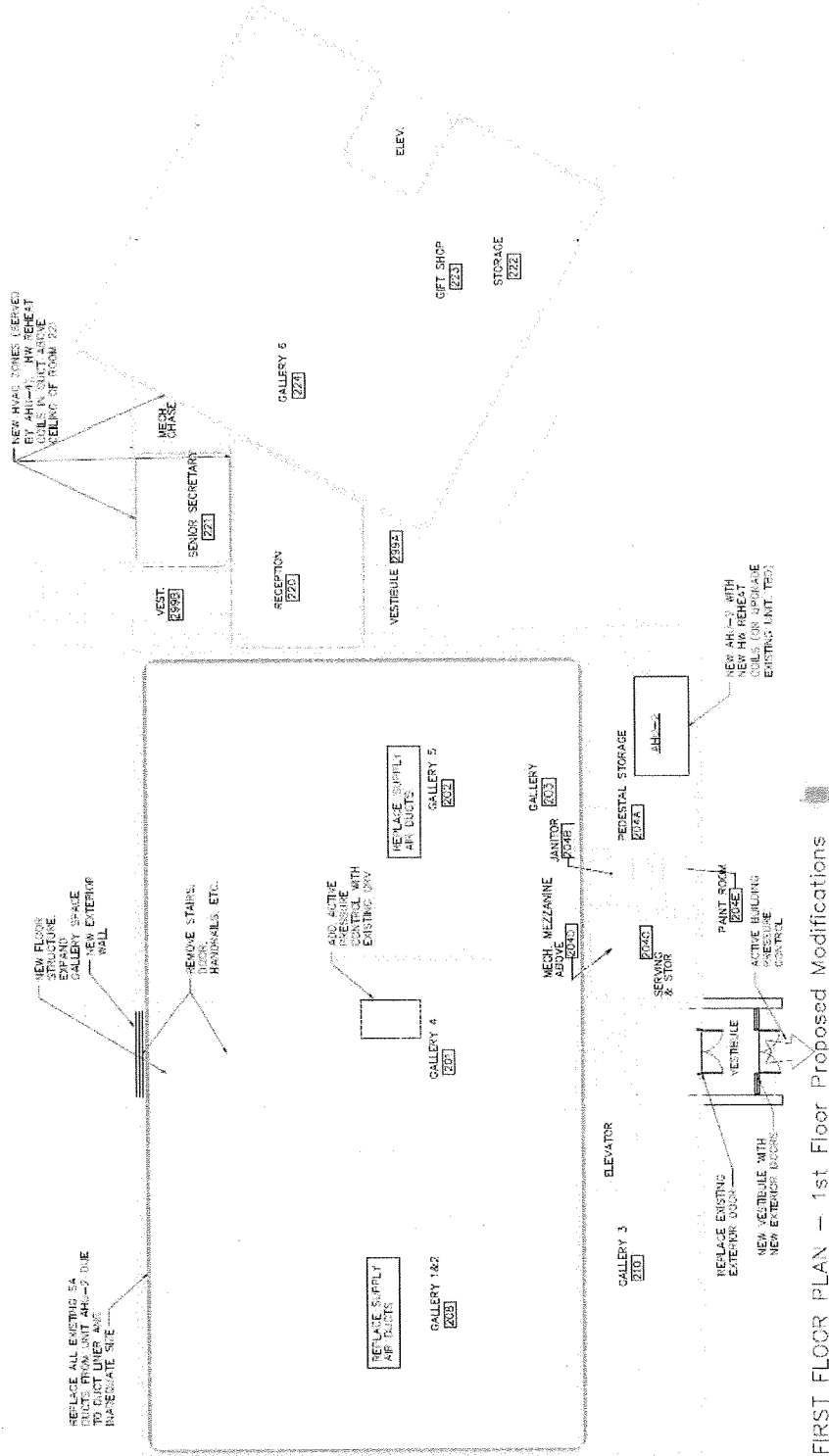
Ongoing funding sources will stay the same. There will be no additional funding sources required.

**iii. MAINTENANCE AND REPAIR**

Ongoing funding sources will stay the same. There will be no additional funding sources required.







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South Dakota Art Museum – HVAC Study

**SOUTH DAKOTA BOARD OF REGENTS**

**Committee on Budget and Finance**

**AGENDA ITEM: III - G**

**DATE: October 14-15, 2009**

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**SUBJECT: South Dakota State University – State Motor Pool/Brookings Fleet Building  
New Construction – Preliminary Facility Statement**

South Dakota State University requests approval of their Preliminary Facility Statement to develop a motor pool fleet building on the north edge of the SDSU campus.

Currently, the north edge of the SDSU campus is being redeveloped. Space north of the Berg and Bailey Hall access drive to the west of Medary Avenue is available for future development. The only space not available is the existing motor pool building and parking lot. This space consists of parking for approximately 125 vehicles, gas pumps and tanks, a wash bay, parts storage space and a small office building.

The proposed area for moving the SDSU Fleet facility will be an extension to the existing Coughlin Alumni Stadium parking lot. The office area would be constructed to the west of the new parking area. This location will allow convenient access from both North Campus Drive and the Highway 14 bypass.

Additional project details can be found in SDSU’s attached document. Funding for the parking area and access drives will be funded by SDSU parking and traffic revenue funds. The cost of the building construction will be funded through the Bureau of Administration (BOA). The cost of the underground fuel storage tanks will be shared by SDSU and BOA.

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**RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR**

Approve SDSU’s Preliminary Facility Statement to develop a motor pool fleet building and parking area. SDSU will work directly with the State of South Dakota Bureau of Administration on this project. Funding for the parking area and access drives will come from SDSU parking and traffic revenues. BOA will fund the cost of the building construction. SDSU and BOA will share the cost of the underground fuel storage tanks. If approved, SDSU will need to present final cost estimates and planning to the Board in their Facility Program Plan. Once approved, the project will also need to be added to the 2010 Legislative package. A building committee should be formed and the Board President should designate a building committee representative for this project.

SDSU State Motor Pool/Brookings Fleet Building-PFS

October 14-15, 2009

Page 2

If approved, SDSU will need to provide additional planning and cost details to the Board in their Facility Program Plan. In addition, this project will need to be added to the 2010 Legislative package for final approval.

**PRELIMINARY FACILITY STATEMENT  
 FOR  
 NEW CONSTRUCTION PROJECT  
 STATE MOTOR POOL - BROOKINGS FLEET BUILDING  
 SOUTH DAKOTA STATE UNIVERSITY  
 DATE: SEPTEMBER 9, 2009**

South Dakota State University requests approval of this Preliminary Facility Statement to develop a motor pool fleet building on the north edge of the SDSU campus. SDSU requests that legislation be drafted for consideration at the 2010 South Dakota Legislative Session for this project.

**1. GENERAL PROGRAMMATIC NEED TO BE ADDRESSED:**

SDSU is preparing for long range plans to redevelop the northwest corner of the campus. To accomplish this, we desire to provide space on the west side of Medary Avenue from the access drive to Berg and Bailey Hall north to north edge of the horse unit. All space is currently readily available except for the motor pool parking lot and building. This project would be to relocate the motor pool lot and building.

Space would be needed for parking approximately 125 vehicles (guest and fleet vehicles), 2 gas pumps & tanks, and a small building to house the offices, wash bay, and parts storage space.

**2. ANALYSIS OF CONSTITUENTS TO BE SERVED:**

The motor pool provides transportation for all state employees in the Brookings area. This can include state employees who are visiting the Brookings area as well. Most of these people are employees of South Dakota State University, so to provide these facilities & services proximate to the campus of SDSU is beneficial.

**3. ADDITIONAL SERVICES OFFERED**

No additional services will be provided through this facility.

**4. COMPLIANCE WITH THE MASTER PLAN**

The Bureau of Administration has rather simple needs for this facility. The site chosen for this use is in a campus zone where service and storage buildings are the primary facilities.

**5. ANALYSIS OF NEEDS ASSESSMENT BASED ON THE FACILITIES UTILIZATION REPORT:**

Not Applicable

**6. LOCATION**

The parking area for this facility will be an extension of the Coughlin Alumni Stadium parking lot. The office building will be west of the parking area and north the Facilities and Services storage facilities. Convenient access will be available from North Campus Drive and from the Highway 14 bypass.

**7. REALLOCATION OF OLD SPACE, IF ANY:**

All existing space will be abandoned. The parking areas used will be used for campus parking needs. The office and shop facilities will be removed. The underground fuel storage tanks will be removed or relocated as needed.

**8. PROPOSED FUNDING SOURCE/S:**

The parking area and drives will be funded through the parking and traffic revenues at SDSU. The cost of underground fuel storage tanks will be shared by SDSU and the Bureau of Administration. The cost of the building will be funded through the Bureau of Administration.

**9. BUDGET FOR DEVELOPMENT OF A FACILITY PROGRAM PLAN:**

Currently SDSU Facilities and Services is working with the Department of Transportation and the Office of the State Engineer to develop a site plan and facility design, including appropriate costs estimates.

**SOUTH DAKOTA BOARD OF REGENTS**

**Committee on Budget and Finance**

**AGENDA ITEM: III - H**

**DATE: October 14-15, 2009**

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**SUBJECT: HEFF Condition Statement**

The primary source of dollars to support university academic facilities is the tuition dollars placed into the Higher Education Facilities Fund (HEFF). Twenty percent of all state-support tuition revenue, with the exception of the first \$875,000 of medical school tuition revenue, is placed into HEFF. HEFF is also assessed on all courses offered at the Centers and starting in the summer of 2009 on all distance courses. HEFF supports new construction as well as the M&R needs of the universities and the long-term indebtedness for capital improvements.

During the 2005 Legislative Session, the Legislature approved the second ten-year capital project plan for the construction, remodeling or renovation of various structures on the campuses of the State's universities. The amount of HEFF funding for these projects was \$65,100,000. All but three projects have been funded as of this date. The remaining three projects are currently planned for FY11. A summary of the projects follows.

<u>University</u>	<u>Planned FY</u>	<u>Approved FY</u>	<u>Project Name</u>	<u>HEFF Funding</u>
SDSU	2007	2006	Shepard Hall	\$24,000,000
SDPURC	2007	2006	Classroom Building	\$7,700,000
SDPURC	2007	2006	Graduate Ed and Research Center	\$2,000,000
USD	2009	2007	Business School	\$5,400,000
USD	2009	2007	Slagle Hall Renovation	\$4,600,000
SDSM&T	2010	2008	Chemistry Facility	\$10,000,000
NSU	2011		Lincoln and Graham Hall Renovation	\$3,000,000
DSU	2011		Utility Infrastructure	\$3,000,000
BHSU	2011		Woodburn Hall Remodel	\$5,400,000
<b>Total HEFF Funding</b>				<b>\$65,100,000</b>

Note: Cost estimates reflect the costs included in the legislation and not the actual cost of the projects.

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**RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR**

Approve the HEFF Statement and the commitment of \$4.0M to future energy conservation projects.

Attachment I is a cash flow statement for the Higher Education Facilities Fund. The statement presents actual and planned revenues and expenditures for FY08 through FY25. The statement is based on the following:

- FY10 tuition revenues based upon March 2009 tuition revenue projections
- FY09 actual interest earnings
- Actual FY10 M&R Allocation
- Lease payment schedules for FY10 through FY25
- FY11 and beyond assumes stable enrollments, 4% interest earnings on cash, an annual increase to M&R of 4%
- Bonding for \$11.4M in FY11 for remaining projects on the ten-year plan
- No future capital improvement commitments beyond FY11.
- Commitment of \$2.0M in FY11 and FY12 for energy conservation projects.

A facilities utilization study and space quality assessment will be done over the next year in preparation and development of the next ten-year plan.

**Board of Regents  
HEFF Cash Flow Statement  
October 1, 2009**

Fiscal Year	Beginning Balance July	Net 20% Tuition	M&R Fee Revenue	Interest Revenue	Total Revenue	FY M&R Expenditures	Lease Payment	Total Expenditures	Obligated Unexpended	Ending Cash	Unobligated Funds
2008	12,007,593	13,791,375		596,820	14,388,195	6,619,135	8,230,782	14,849,917	4,111,984	11,545,871	7,433,887
2009	11,545,871	14,663,239	2,200,291	2,543,788	19,407,319	6,526,594	11,261,141	17,787,735	3,768,562	13,165,455	9,396,893
2010	13,165,455	14,620,464	2,205,330	455,876	17,281,670	10,924,839	11,863,330	22,788,169	0	7,658,956	7,658,956
2011	7,658,956	15,059,078	2,203,320	386,358	17,648,756	8,160,515	12,645,534	20,806,049	0	4,501,662	4,501,662
2012	4,501,662	15,510,850	2,205,072	260,066	17,975,989	8,893,110	11,932,374	20,825,484	0	1,652,167	1,652,167
2013	1,652,167	15,976,176	2,200,046	146,087	18,322,308	7,155,080	11,482,345	18,637,425	0	1,337,050	1,337,050
2014	1,337,050	16,455,461	2,202,933	133,482	18,791,876	7,427,528	10,871,986	18,299,514	0	1,829,411	1,829,411
2015	1,829,411	16,949,125	2,200,871	153,176	19,303,172	7,710,875	10,877,964	18,588,839	0	2,543,745	2,543,745
2016	2,543,745	17,457,599	2,201,902	181,750	19,841,250	8,005,555	10,870,519	18,876,074	0	3,508,921	3,508,921
2017	3,508,921	17,981,327	2,200,613	220,357	20,402,296	8,312,023	10,481,632	18,793,655	0	5,117,563	5,117,563
2018	5,117,563	18,520,766	2,202,160	284,703	21,007,629	8,630,749	10,488,278	19,119,027	0	7,006,165	7,006,165
2019	7,006,165	19,076,389	2,201,129	360,247	21,637,765	8,962,224	10,481,295	19,443,519	0	9,200,411	9,200,411
2020	9,200,411	19,648,681	2,202,675	448,016	22,299,372	9,306,958	10,477,801	19,784,759	0	11,715,024	11,715,024
2021	11,715,024	20,238,141	2,201,387	548,601	22,988,129	9,665,482	9,511,076	19,176,558	0	15,526,595	15,526,595
2022	15,526,595	20,845,286	2,201,232	701,064	23,747,582	10,038,347	9,518,015	19,556,362	0	19,717,815	19,717,815
2023	19,717,815	21,470,644	2,202,139	868,713	24,541,496	10,426,126	9,526,920	19,953,046	0	24,306,265	24,306,265
2024	24,306,265	22,114,764	2,204,381	1,052,251	25,371,395	10,829,416	8,929,852	19,759,268	0	29,918,392	29,918,392
2025	29,918,392	22,778,207	2,203,840	1,276,736	26,258,782	11,248,838	7,948,063	19,196,901	0	36,980,274	36,980,274

1. Assumes a 4.0% interest calculation based on the ending cash balance plus \$2,000,000 for unexpended M&R funds.
2. Assumes stable enrollments and an annual tuition increase of 3%.
3. Includes an annual inflationary growth to the M&R project funding equal to 4%.
4. Lease payments include the M&R bond payment and the Sioux Falls Center rent starting in FY01 and ending in FY20.
5. Lease payment for M&R bond is satisfied in 2011 so the 2012 M&R allocation increases by previous M&R bond lease payment amount.
6. Includes the bonding for \$11.4M in 2011 to fund projects on the 2005 ten-year plan and \$1.0 M for the Dairy Plant in FY10.
7. Reflects a commitment of \$2.0M in FY11 and FY12 to energy conservation projects.