

EXECUTIVE SUMMARY

ACTION ITEM: Polytechnic Academic Complex, Project Implementation, Arizona State University at the Polytechnic campus.

ISSUE: The University requests Project Implementation Approval for the Polytechnic Academic Complex project at ASU at the Polytechnic campus. The Academic Complex project includes three previously approved projects (CDP June 22, 2006): Classroom Office Building I, Classroom Office Building II, and Science and Technology Building including a hazardous materials storage facility.

BACKGROUND:

In the June 2006 Capital Development Plan, ASU submitted three separate Polytechnic projects: Classroom Office Building I, Classroom Office Building II, and Science and Technology Building. At that time, it was proposed that the three projects be funded by General Fund Appropriation from the Arizona State Legislature. Funds sufficient to pay the debt service on this \$103 million project have been appropriated.

As planning and programming progressed, it was determined that the most efficient, economical and time-sensitive route would be to create a thematically and aesthetically unified complex of buildings. Therefore, ASU hired a single architect and CMAR to construct the Polytechnic projects as one project to ensure efficiency and unity. ASU proposes the combination of the three projects into one project called the Polytechnic Academic Complex. The Complex encompasses interconnected facilities serving the academic functions listed in the Project Description section on the following page.

The square footage has been reduced from 280,000 to 240,000 square feet for the complex. This was accomplished without sacrificing the functionality of the buildings, by sharing some common use spaces across departments and reducing the number of offices planned.

The overall project cost for the Polytechnic Academic Complex will remain \$103,000,000.

PREVIOUS BOARD ACTION:

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|---|----------------|
| • 2007-2009 Capital Improvement Plan | September 2005 |
| • 2005 Revised Capital Development Approval | February 2006 |
| • 2007 Capital Development Approval | June 2006 |

EXECUTIVE SUMMARY

PROJECT JUSTIFICATION:

ASU at the Polytechnic campus opened its doors to under 1,000 students in the fall of 1996, offering nine degree programs through two colleges that had moved from the ASU Tempe campus. As of fall 2006, more than 6,500 students are enrolled and 35 degree programs are offered in a variety of professional and technological fields. Enrollment is projected to continue at a strong pace over the next 5-7 years, reaching 10,000 students around 2012.

As a polytechnic campus, programs in the sciences, engineering, and technologies will be a significant part of this growth and account for about 35% of all majors. A component of this project will provide new classrooms, laboratories, and academic office space to support instruction in science, engineering, and technology programs.

As ASU at the Polytechnic campus develops, a greater variety of professional programs will be added. Existing programs of this sort (e.g., technical communication, applied psychology) will continue to grow and new programs (e.g., applied art and design) will be added in response to student demand. In addition, all students at the Polytechnic campus must enroll in the variety of general studies courses required for graduation (e.g., English, history, mathematics). Given the combination of a large number of majors and the need for all students to complete coursework in general studies, a component of this project will provide new classrooms and office space to support instruction in general university education.

This project will also accommodate the anticipated growth in programs in education and business professions, which are anticipated to represent a significant share of enrollment growth.

As research continues to increase at the Polytechnic campus, the amount of waste generated has also increased. Hazardous materials storage is required to handle increased waste streams, according to life safety regulations for toxic and radioactive waste.

FISCAL IMPACT AND FINANCING PLAN:

This project was included in the Revised 2006 Capital Development Plan, submitted in February 2006 and the 2007 Capital Development Plan submitted in June 2006, which shows that debt service on all outstanding debt would be 6.2% of total projected expenditures (State Law basis, max 8%) and 7.7% of projected unrestricted expenditures (ABOR Policy basis, max 10%). The debt service for this project is .51% (51/100th of one percent) of total projected expenditures (State Law) and .64% (64/100th of one percent) of projected unrestricted expenditures (ABOR Policy).

RECOMMENDATION:

That the Board grant Project Implementation Approval of the Polytechnic Academic Complex project for ASU at the Polytechnic campus.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: ASU at the Polytechnic campus

Project Name: Polytechnic Academic Complex

Project Description/Location:

The Polytechnic Academic Complex at the Polytechnic campus is a 240,000 square foot, \$103,000,000 complex to be situated near the center of the Polytechnic campus (see attached site diagram).

Project Schedule (Beginning Month/Year):

Planning	August 2005
Design	August 2006
Construction	December 2006
Occupancy	August 2008

Project Budget:

Total Project Cost	\$	103,000,000
Direct Construction Cost	\$	67,206,000
Total Project Cost per GSF	\$	430
Construction Cost per GSF	\$	280
Change in Annual Oper. /Main. Cost:		
Utilities	\$	677,279
Personnel	\$	365,357
All Other Operating	\$	643,133
Subtotal	\$	1,685,767

Funding Sources:

Capital

A. Certificates of Participation \$103,000,000
(Funding source for Debt Service: State Appropriations)

Operation/Maintenance

A. General Fund Appropriations \$1,685,767

EXECUTIVE SUMMARY

Capital Project Budget Summary

University: Arizona State University at the Polytechnic campus

Project: Polytechnic Academic Complex

	Capital Development Plan	Project Implementation Approval	Project Approval
Capital Costs			
1. Land Acquisition	-	-	-
2. Construction Cost	-	-	-
A. New Construction	55,395,000	64,171,000	-
B. Renovation	\$ 3,700,000	\$ 1,500,000	-
C. Special Fixed Equipment	-	-	-
D. Site Development (excl. 2.E.)	6,100,000	-	-
E. Parking and Landscaping	1,535,000	1,535,000	-
F. Utilities Extensions	420,000	-	-
G. Inflation Adjustment	-	-	-
Subtotal Construction Cost	<u>\$ 67,150,000</u>	<u>\$ 67,206,000</u>	<u>\$ -</u>
3. Fees (% of Construction Cost)			
A. Construction Mgr	\$ 1,005,000	\$ 725,000	-
B. Architect/Engineer	8,040,000	8,300,000	-
C. Other	-	1,189,000	-
Subtotal Consultant Fees	<u>9,045,000</u>	<u>10,214,000</u>	<u>-</u>
4. FF&E Movable	8,179,965	7,500,000	-
5. Contingency, Design Phase	\$ 6,700,000	\$ 3,630,000	\$ -
6. Contingency, Constr. Phase	6,700,000	3,630,000	-
7. Parking Reserve	-	-	-
8. Telecommunications Equipment	2,802,000	3,630,000	-
Subtotal Items 4-8	<u>24,381,965</u>	<u>18,390,000</u>	<u>\$ -</u>
9. Additional University Costs			
A. Surveys and Tests	\$ 20,000	\$ 25,000	\$ -
B. Move-in Costs	50,000	50,000	-
C. Printing Advertisement	6,000	15,000	-
D. Facilities Support	500,000	318,250	-
E. Keying, signage	-	100,000	-
F. Project Management Cost (2.07%)	1,386,900	2,083,522	-
G. State Risk Mgt. Ins. (.0034 **)	255,135	263,228	-
H. Other*	205,000	4,335,000	-
Subtotal Addl. Univ. Costs	<u>2,423,035</u>	<u>7,190,000</u>	<u>-</u>
TOTAL CAPITAL COST	<u><u>\$ 103,000,000</u></u>	<u><u>\$ 103,000,000</u></u>	<u><u>\$ -</u></u>

* Universities shall identify items included in this category: (Demolition, Environmental Control, Hazardous Materials Abatement, Site Improvements Surrounding Academic Complex)

** State Risk Management Insurance factor is calculated on construction costs and consultant fees.

