

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance, Facilities and Technology **Date of Meeting:** May 20, 2009

Agenda Item: FY2010-2015 Capital Budget Request

- Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda: The purpose of this report is to present the Chancellor’s recommendation for the FY2010 – 2015 Capital Budget. In accordance with Board policy, the Board will be requested to take final action on the budget at its June 2009 meeting.

Scheduled Presenter(s): Laura M. King, Vice Chancellor – Chief Financial Officer
 Allan Johnson, Associate Vice Chancellor Facilities

Outline of Key Points/Policy Issues: There are four major components of the capital budget proposal:

- Higher Education Asset Preservation and Replacement (HEAPR), \$110 million – these projects are positioned as first priority to improve conditions of existing facilities and reduce the level of deferred maintenance and repair.
- 2008 Vetoed Projects, \$46.76 million – at the time of this writing, it is unknown whether any of the vetoed projects from 2008 will be funded in the 2009 legislative session. Accordingly, they are next as priorities 2 through 7
- Phased projects partially funded in 2008, \$197 million – these are carried forward as priorities 8 through 23.
- New projects, \$49.8 million – these projects and property acquisitions make up priorities 24 through 31.

Background Information: Work to prepare the capital budget began in earnest with the Board’s approval of the Capital Budget Guidelines in June 2008. Progress updates were provided to the Board in November 2008 and January 2009; capital project proposals were reviewed and scored in January and February; a public hearing was held by the Board on February 25, 2009; and a detailed study session for the Finance, Facilities and Technology Committee occurred on April 15, 2009.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

INFORMATION ITEM

FY2010 - 2015 Capital Budget Request

BACKGROUND

The purpose of this report is to present the Chancellor's recommendation for the FY2010 – 2015 Capital Budget. The Board will be requested to take final action on the budget at its June 2009 meeting.

Work to prepare the capital budget began in earnest with the Board's approval of the Capital Budget Guidelines in June 2008. Progress updates were provided to the Board in November 2008 and January 2009; capital project proposals were reviewed and scored in January and February; a public hearing was held by the Board on February 25, 2009; and a detailed study session for the Finance, Facilities and Technology Committee occurred on April 15, 2009. The January update included a presentation on the Facilities Reinvestment and Renewal Model (FRRM) and its use in guiding capital planning activities around the System. Discussions have addressed the size of the proposed budget, debt capacity and inflation, connections to the Strategic Plan, workforce development, enrollment growth, and stewardship of state physical plant resources.

PROPOSED FY2010 – 2015 CAPITAL BUDGET

Attachment A is the recommended project and priority list for FY2010 – 2015. The Board is asked to specifically approve only those projects and priorities for FY2010, recognizing that projects contained in the FY2012 and 2014 biennia are tentative and will require approval in the next capital budget cycle. Attachment B provides brief highlights of the projects.

There are four major components of the capital budget proposal:

- Higher Education Asset Preservation and Replacement (HEAPR), \$110 million – These projects are positioned as first priority to improve conditions of existing facilities and reduce the level of deferred maintenance and repair.
- 2008 Vetoed Projects, \$46.76 million – At the time of this writing, it is unknown whether any of the vetoed projects from 2008 will be funded in the 2009 legislative session. Accordingly, they are next as priorities 2 through 7
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- New projects, \$49.8 million – These projects and property acquisitions make up priorities 24 through 31.

Several minor adjustments have been made to the list since the Board discussion in April 2009. The demolition project has been dropped as a separate line item. The demolition

of the residence hall at Bemidji State University is now included in their line-item project #27; and the small demolition at Thief River Falls has been included in line-item project #3.

STATE UNIVERSITY CAPACITY IN THE TWIN CITIES METROPOLITAN AREA

In September 2008, the Board reviewed a framework for expanding the System's ability to provide baccalaureate and graduate education in the Twin Cities to serve the growing population and support business needs for advanced education and training. In addition to increasing the capacity of Metropolitan State University campus locations, the framework focuses on utilizing two-year college campuses across the metro area to offer upper division and graduate programs through Metropolitan State University and other state universities. Leased space would supplement on-campus capacity.

Recent Board discussions and institutional experiences in the Twin Cities market have shown the urgency of adding new bachelor's and graduate programming. In the past few months, presidents and chief academic officers of the eleven Twin Cities institutions that make up the Metro Alliance held discussions on creating sustainable partnerships between state universities and two-year colleges. State university and Metro Alliance chief academic officers discussed potential academic programs. In May, the chief academic officers of Metro Alliance institutions and the six state universities outside the metro area will meet again to identify specific program priorities and begin to address physical space and other planning issues.

This proposed capital budget supports academic planning for upper division and graduate programs in the Twin Cities area. Of the proposed 2010 projects in the metropolitan area, 48% of the new square footage and 17% of renovated square footage has been planned for expanded state university programming. Projects address development of Metropolitan State University facilities on its Saint Paul campus as well as space for state university partnerships at Anoka Ramsey Community College, North Hennepin Community College, and Normandale Community College.

Statewide, 41% of the proposed capital budget includes projects on state university campuses, proportional to 40% of the System FYE served by the state universities. Besides Metropolitan State University, projects are planned at Bemidji State University, MSU, Mankato, St. Cloud State University, MSU Moorhead and Southwest Minnesota State University. Development of two-year college campuses to house state university programs in the Twin Cities metro area and elsewhere represents almost 75% of the capital budget linked to the delivery of baccalaureate and graduate programs.

As it has for many years, leasing of commercial real estate will continue to be part of the solution to expand state university capacity in the metropolitan area. Three state universities currently are leasing commercial space as follows:

- Metropolitan State University leases 54,000 square feet of classroom, lab and office space in the Midway area of Saint Paul on Energy Park Drive. Square footage for classroom use has increased at this site since the first lease in 1995.

- Minnesota State University, Mankato leases 12,200 square feet of classroom and office space at 7700 France Avenue in Edina. Classes started at this location in fall 2008.
- St. Cloud State University is moving its current Maple Grove site for the graduate program in business administration to a nearby location, also in Maple Grove, with 12,300 square feet of classroom and office space scheduled for opening in fall 2009.

Campuses are encouraged to lease when short-term demand is apparent and the location can be self-sustaining from a cost standpoint. Leasing allows an institution to test the market for new programs and locations prior to initiating, if appropriate, the longer capital budget process. Permanent construction is encouraged for core academic programming, where growing enrollment can be projected with certainty, space utilization warrants additional space, and the location of expansion is consistent with the campus facilities master plan.

To address questions of leasing versus building, the Office of the Chancellor worked with a consultant to develop a template that takes into account the System's debt service structure and operational costs. The template makes assumptions based on 20-year build and lease terms and also compares different minimum leasing periods, such as 5 or 10 years. It is distinguished from other commercial real estate lease versus build models in that there is no assumption that the property will be sold at the end of a given term. A few general conclusions that can be offered based on recent lease versus build analyses:

- For the System, total occupancy costs of building and owning over a 20 year term is almost always less costly than leasing when only the one-third share of debt service is considered in the analysis.
- In the noted projects, the total occupancy cost of owning and building still has a slight financial edge over leasing even when factoring in the state's full debt load.

ONLINE COURSE DELIVERY

As presented in the March Board of Trustees Study Session on Minnesota Online, online enrollment has grown over 10,000 FYE from 2005 to 2009. Approximately 75% of all Minnesota State College and University students enrolled in online courses also take classroom based courses. Many students are taking online courses for convenience in scheduling. Anecdotal information tells us that library, computer labs and learning resource center usage has increased due to student preference to be on campus, using college/university equipment for online and blended courses.

To date, it does not appear that campuses have had any decrease in space requirements as a consequence of online course delivery. Indeed, some campuses have experienced new space needs for instructors to develop course work and increased technology support. Since the bulk of students taking online courses also take classroom based courses, there has been no noticeable decrease in demand for space. Another reason for the continued demand for space may be that the number of students taking blended courses, which require the use of a classroom but for fewer class sessions, has increased as fast as those

taking online courses. Online courses may help to augment some students' programs but they do not appear at this time to be influencing a reduction in campus space.

This capital budget provides new or improved space through eleven projects for open computer labs to improve student access for online courses. These projects are located at North Hennepin Community College, Alexandria Technical College, Minnesota State Community and Technical College, Moorhead, Hennepin Technical College, Eden Prairie and Brooklyn Park, Ridgewater Community and Technical College, Willmar, South Central College, Faribault, Minnesota State University Moorhead, Bemidji State University, Normandale Community College, Rochester Community and Technical College, and the eight campuses included in the Technical College Library Initiative.

REINVESTMENT IN EXISTING FACILITIES

The Facilities Renewal and Reinvestment Model (FRRM) was presented to the Committee in January 2009. This life-cycle modeling system enables each college and university to document the current condition of their existing physical plant and infrastructure. The resulting metric is the Facilities Condition Index (FCI), calculated by dividing the value of deferred maintenance and repair by the current plant replacement value. The backlog measured in 2008 was \$685 million, with a resulting FCI of 0.12 System-wide. The backlog predicted for 2009 is \$700 million.

The FRRM also predicts future facilities renewal requirements. In January 2009, the System 10-year renewal requirement was estimated at \$950 million, made up of \$650 million in buildings and systems, \$100 million in infrastructure, and \$200 million in modernization, equating to an average renewal requirement of \$95 million per year over the next ten years. It is important to note that the model, and these numbers, does not include new space requirements.

Figure 1 is an example of the relationship between annual renewal requirements and the backlog. Renewal work that is not funded moves to the backlog.

Figure 1

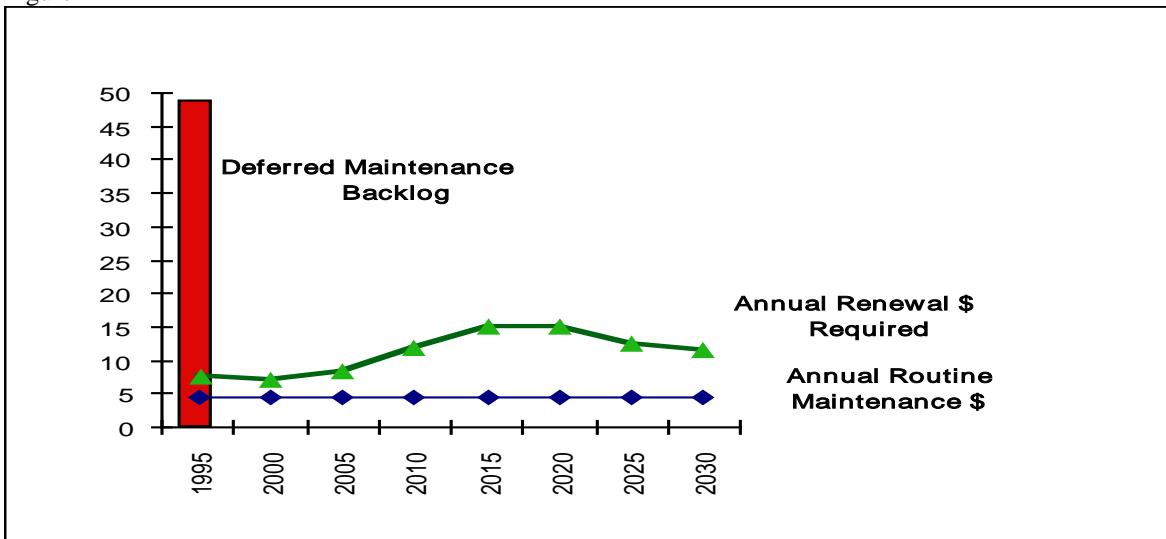


Figure 2 indicates the System annual renewal plus backlog reduction need. Using \$700 million as the backlog number, a 50% reduction over a 10 years period requires \$35 million per year. Add to that an average of \$95 million per year in renewal. The total reinvestment requirement is therefore \$130 million per year or \$260 million per biennium.

The annual funding sources to meet this reinvestment need includes three major components: HEAPR at \$55 million (\$110 million in the biennium); campus-funded Repair and Replacement (R&R) at \$21 million (\$42 million in the biennium); and specific line-item capital projects for renovation, repair, and removal of backlog at \$54 million (\$108 million in the biennium). Much of the work included in these line-item renovation/repair capital projects often can be referred to as “HEAPR like” as the projects also remove deferred maintenance and/or address renewal needs.

An example of this is the replacement of a roof, mechanical system or windows at the time of a capital project. While this approach does involve the addition of debt, it clearly improves the chances of funding and upgrading of campus facilities.

Figure 2

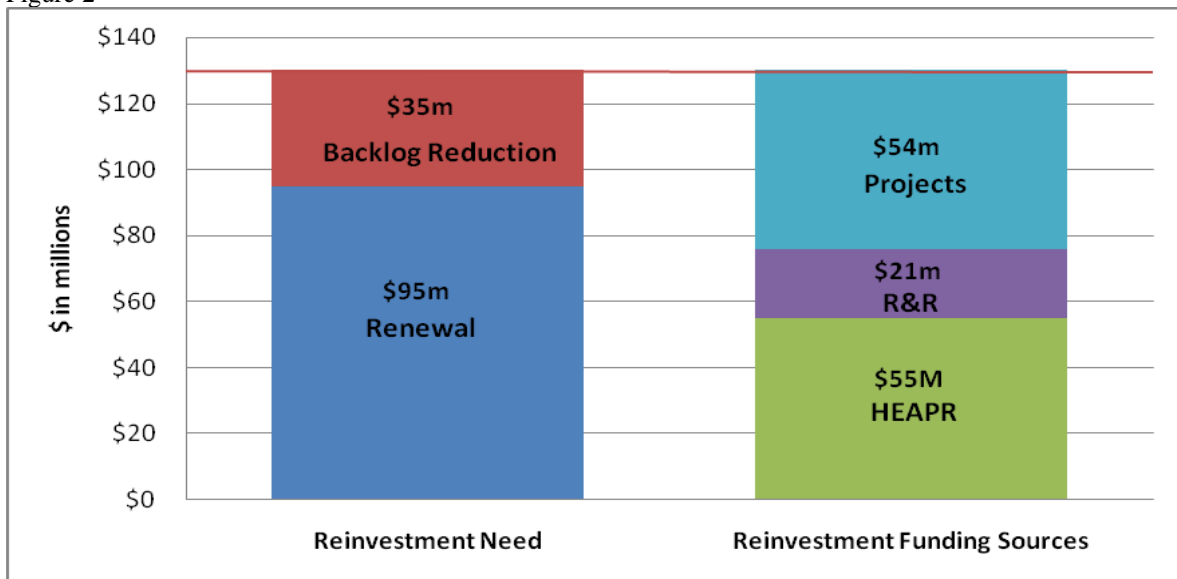
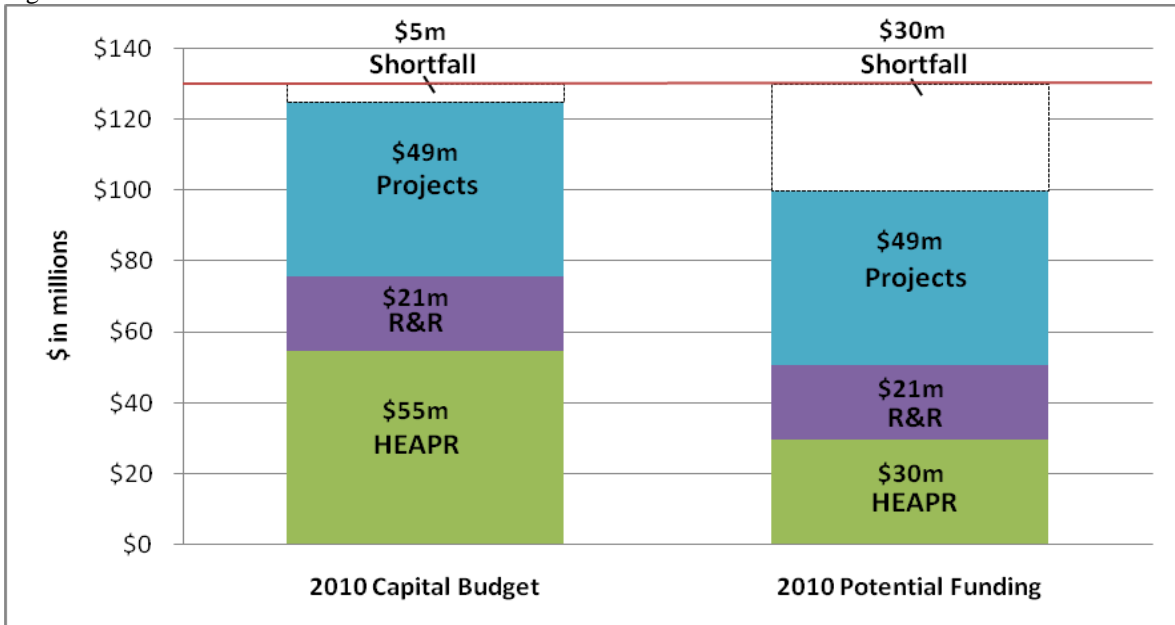


Figure 3 shows the plan contained within the proposed 2010 capital budget: \$110 million for HEAPR (\$55 million on an annual basis), plus specific projects containing renewal, repair and backlog reduction at \$98 million (\$49 million on an annual basis). This assumes that campuses will continue to budget and spend the goal of \$1/square foot annually, or \$21 million, as campus R&R. This would indicate a planning shortfall for 2010-2011 of \$5 million per year or \$10 million for the biennium attributable primarily to the construction of new space in this budget.

The bar chart on the right in Figure 3 indicates a likely scenario of funding in 2010. Historically, the System has requested \$110 million for HEAPR but received at or less than \$60 million. Accordingly, at best case, the bar chart on the right indicates receipt of \$60 million in HEAPR or \$30 million per year for 2010 – 2011.

The chart also assumes full support of the line-item projects at \$98 million, and continued campus funding of R&R at \$21 million per year. This optimistic scenario leaves a shortfall of \$30 million on an annual basis that will need to be addressed in the future. Note how closely this correlates to the backlog reduction requirement. In other words, this funding scenario would keep existing facilities essentially “at par” for the biennium. Depending on the outcome of the 2009 and 2010 legislative sessions, as well as the impact of operating budget reductions on campus ability to fully fund R&R, the Capital Budget Guidelines for FY2012-2017 may have to place greater emphasis on renewal and backlog reduction versus construction of new space.

Figure 3



“GREEN” BUILDINGS

Much has been written and discussed in recent years about “green” architecture, sustainability, and minimizing impacts on the environment. Indeed, the designation of a new building as “LEED Certified” carries with it the assurance that the building has been designed and constructed to rigorous standards. LEED is the acronym for the United States Green Building Council’s (USGBC) Leadership in Energy and Environmental Design (LEED) designation, an internationally recognized certification system that measures how well a building performs across such metrics as energy savings, water efficiency, CO₂ emissions reduction, indoor environmental quality, etc. LEED provides building owners and operators a concise framework for identifying and implementing practical and measurable green building design, construction, operations and maintenance solutions. LEED projects are rated on four levels. The lowest rating is simply

“Certified,” followed by Silver, Gold and finally Platinum. While a LEED certification is certainly notable, there are many other factors in siting a building on a campus, establishing certain quality levels in design and construction, and ensuring long term maintenance efficiencies that are not addressed in the LEED certification process.

Minnesota is fortunate to also have comprehensive and sustainable building design standards, founded in statute, known as Buildings, Benchmarks & Beyond (B3). Adherence to these standards is a requirement of using state funds for building construction and renovation. In addition, Minnesota State Colleges and Universities developed its own Standards many years ago that we believe are critical to the excellent design and construction of our facilities, and ultimately to the energy and maintenance efficiency of the System’s physical plant. These Standards are updated routinely, and most recently went through an extensive analysis to verify compliance with state’s B3 Guidelines. In addition, a comparison was made against LEED criteria. We are confident that any significant new construction projects that comply with our latest Standards and B3 would be comparable to having a LEED Silver certification. Of course, a project cannot be called “LEED Certified” unless it goes through a rigorous documentation process by USGBC, which takes additional effort and resources on the part of the project architect, construction contractor and college or university. While several campuses have chosen to spend additional funds to obtain LEED certification for specific building projects, it is notable that constructing to our Standards and the state’s B3 standards will yield a product similar to one with a LEED Silver certification.

Higher Education Asset Preservation and Replacement (HEAPR) projects are the major source for removing deferred maintenance and renewing spaces. HEAPR, by state statute definition, has a major impact on energy efficiency in terms of replacement of roofs and windows, correcting moisture intrusion in building envelopes, and undertaking repairs and improvements to heating, ventilation and air conditioning (HVAC) systems. In the \$50 million HEAPR proposal currently at the legislature, approximately 35% of the work will directly reduce energy and water consumption. The 2010 HEAPR program will have equal or better results.

OTHER RELATED CAPITAL PROJECT INITIATIVES

Each bonding bill cycle typically sees capital projects submitted by local units of government and legislators that result in either a project authorized for construction on a campus of Minnesota State Colleges and Universities or off-campus in direct support of a college or university activity. At this time, several projects are likely to appear in the 2010 cycle:

Pine Technical College, in cooperation with local economic development agencies, has sought a federal grant for construction of a business incubator on campus. A federal grant will require a state match, which could be accomplished in the Department of Employment and Economic Development portion of the bonding bill.

The City of Mankato, in partnership with **MSU, Mankato** may again seek funding to construct the Southern Minnesota Women’s Hockey Exposition Center for use by the university. The Center might be located on campus or in the City. This project

was proposed by the City for the 2009 bonding bill but is currently only in the Senate version. A non-state match is required. This project would be similar to the Bemidji Events Center and Southwest Minnesota Event Center projects, both of which involved our universities.

Olmsted County may seek funding to extend a new steam pipeline from the Olmsted Waste-to-Energy Facility to Rochester Community and Technical College. This project was also proposed for the 2009 bonding bill, and currently appears in both House and Senate bills but with different funding amounts.

Northeast Higher Education District may receive funding to renovate and construct new facilities at the Virginia campus of Mesabi Range Community and Technical College in support of expanding baccalaureate and graduate programs on the Range. While a study has been underway for several months to examine the program requirements on the Range, the need for new and/or renovated facilities was not defined sufficiently prior to the capital budget process. At the time of this writing, a grant for \$1 million from the 21st Century Minerals Fund is in the DEED Conference Committee Report for planning, design and construction of classrooms and housing facilities for upper division students in engineering programs on the Iron Range.

NEXT STEPS

The FY2010-2015 Capital Budget requests \$403.63 million in total authorization with state general obligation bond financing of \$305.75 million. System financing would be \$97.88 million.

Minnesota Management and Budget (MMB) is scheduled to issue instructions for the statewide FY 2010-2015 Capital Budget later in May 2009. Project cost estimates shown on Attachment A may change depending on revised inflation factors or revised construction schedules of each project. Agency requests are due to MMB by the end of June for a coordinated preliminary submittal to the legislature in July. The Legislature will use this preliminary information as they make their visits around the state this coming summer and fall to become familiar with proposed capital requests. Final adjustments to the June submission must occur no later than September 15, 2009 for preparation of the Governor's Capital Budget recommendations to the 2010 legislative session.

RECOMMENDED COMMITTEE ACTION:

The Finance/Facilities Policy Committee recommends that the Board of Trustees adopt the following motion: The Board of Trustees approves the FY2010 – 2015 Capital Budget as presented in Attachment A, specifically the projects and priorities for FY2010-11. The Chancellor is authorized to make cost and related adjustments to the budget as required, and to forward the Capital Budget to the Governor for consideration in the FY2010 – 2015 state capital budget. The Chancellor shall advise the Board of any subsequent changes in the Capital Budget prior to the 2010 legislative session.

RECOMMENDED MOTION:

The Board of Trustees approves the FY2010 – 2015 Capital Budget as presented in Attachment A, specifically the projects and priorities for FY2010-11. The Chancellor is authorized to make cost and related adjustments to the budget as required, and to forward the Capital Budget to the Governor for consideration in the FY2010 – 2015 state capital budget. The Chancellor shall advise the Board of any subsequent changes in the Capital Budget prior to the 2010 legislative session.

Date Presented to the Board: May 20, 2009

**Minnesota State Colleges and Universities
Proposed FY2010-2015 Capital Budget**

Attachment A

	Institution Name	Campus	Project Description	Funded FY2008	Proposed FY2009	Proposed FY2010	Proposed FY2012	Proposed FY2014
1	All Campuses	All	Higher Education Asset Preservation and Replacement (HEAPR)	55,000,000	50,000,000	110,000,000	110,000,000	110,000,000
Vetoed Projects Carry Forward								
2	North Hennepin Community College	Brooklyn Park	Business and Technology Addition and Renovation	Vetoed	13,970,000	15,000,000		
3	Central Lakes College, Mn State Community & Tech College, MnWest Community & Tech College, Northland Community & Tech College, Pine Technical College, Rochester Community & Tech College	Brainerd, Wadena, Moorhead, Pipestone, Thief River Falls, Pine City, Rochester	Classroom Renovation Initiative and minor demolition	Vetoed	3,810,000	4,350,000		
4	Lake Superior College	Duluth	Health Science Center Addition	Vetoed	11,550,000	12,400,000	4,800,000	
5	Metropolitan State University	St. Paul	Classroom Center	Vetoed	5,700,000	5,860,000		
6	NHED Mesabi Range Community Technical College	Eveleth	Shop Space Addition and Renovation	Vetoed	5,250,000	5,650,000		
7	Dakota County Technical College	Rosemount	Property Acquisition	Vetoed		3,500,000		
Subtotal of Vetoed Projects					40,280,000	46,760,000	4,800,000	
Phased Projects Carry Forward (Design and Phased Construction from 2008)								
8	Alexandria Technical College	Alexandria	Phase 2: renovation of space vacated due to new Law Enforcement Center	10,500,000		4,400,000		
9	Minnesota State Community Technical College	Moorhead	Phase 2: Library and Classroom Addition	2,500,000		5,500,000		
10	Anoka Ramsey Comm College	Coon Rapids	Phase 2: Classroom Building Renovation	3,800,000		5,000,000		
11	Hennepin Technical College	Eden Prairie	Learning Resource Center/Student Service Center	2,400,000		10,600,000		
		Brooklyn Park	Learning Resource Center/Student Service Center					
12	Minneapolis Community Technical College	Minneapolis	Workforce Program and Infrastructure Renovation	400,000		13,050,000	4,800,000	
13	Ridgewater Community Technical College	Willmar	Technical Instruction Construction and Renovation	3,500,000		14,500,000		
14	Minnesota West Community and Technical College	Worthington	Fieldhouse Renovation & Addition	450,000		4,730,000		
15	South Central College	Faribault	Classroom Renovation and Addition	400,000		13,500,000		
16	Anoka Ramsey Community College	Coon Rapids	BioScience and Allied Health Addition	900,000		16,500,000		
17	North Hennepin	North Hennepin	BioScience and Health Careers Center			27,000,000		
18	Mn State University Moorhead	Moorhead	Livingston Lord Library Renovation	400,000		15,410,000		
19	Southwest Mn State University	Marshall	Science Lab Renovation	200,000		5,900,000		
20	St. Cloud State University	St. Cloud	Integrated Science and Engineering Laboratory Facility	900,000		44,770,000		
21	Dakota County Technical College	Rosemount	Transportation and Emerging Technologies Remodeling	200,000		7,300,000	7,000,000	
22	St. Cloud Technical College	St. Cloud	Allied Health Center	200,000		5,600,000		
23	Rochester Community Technical College	Rochester	Workforce Center Co-location *	200,000		3,250,000		
Subtotal of Carry Forward				26,950,000		197,010,000	11,800,000	

* Total project cost estimated at \$8.5 million. RCTC portion = \$3.25 million

New Projects for 2010								
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**Minnesota State Colleges and Universities
Proposed FY2010-2015 Capital Budget**

Attachment A

	Institution Name	Campus	Project Description	Funded FY2008	Proposed FY2009	Proposed FY2010	Proposed FY2012	Proposed FY2014
24	Bemidji State Univ, Century College, MSCTC Moorhead, MSU Moorhead, NHED Hibbing, NHED Itasca, NHED Mesabi-Eveleth, NW Technical, South Central College N. Mankato	Bemidji, White Bear Lake, Moorhead, Hibbing, Grand Rapids, Eveleth, North Mankato	STEM Initiative; Renovations at 9 campuses			5,500,000	7,000,000	7,000,000
25	Mn State University, Mankato	Mankato	Clinical Science Building			1,955,000	34,685,000	5,216,000
26	Normandale Community College	Bloomington	Academic Partnership Center and Student Services			23,339,000	14,998,000	
27	Bemidji State University	Bemidji	Business Remodel of Memorial Hall and demolition of three structures			3,232,000	16,244,000	
28	Metro State University	St Paul	Science Education Center			3,646,000	34,100,000	
29	Rochester Community Technical College	Rochester	Classroom Renovation and Infrastructure Improvements			987,625	13,361,950	
30	Anoka Technical College, Central Lakes Staples, Mn West Pipestone and Canby, MSCTC Wadena, Riverland Albert Lea, St. Cloud Technical, St. Paul College	Anoka, Staples, Pipestone, Canby, Wadena, Albert Lea, St. Cloud, St. Paul	Technical College Library Initiative; Renovation at 8 campuses			3,900,000		
31	Bemidji State University and Minneapolis Community Technical College	Bemidji and Minneapolis	Property Acquisition			7,300,000		
			Subtotal of New Projects			49,859,625	120,388,950	12,216,000
			Grand Total		90,280,000	403,629,625	246,988,950	122,216,000
			User Financing			97,876,542		
			State Financing			305,753,083		

2010 Capital Budget Highlights

- Priority 1 Higher Education Asset Preservation and Replacement (HEAPR)**
- \$110 million aggregate project amount
 - Current System deferred maintenance backlog = \$700 million
 - Backlog has begun to stabilize with 2009 Facilities Condition Index (FCI) =0.12 similar to that in 2008 yet lower than the 2007 FCI of 0.13. The FCI lowers and improves as more funds for repair and renewal are spent by campuses using operating budget funds, with additional funding from HEAPR and major capital line item projects targeting backlog
 - Full funding will continue our long range plan to reduce the backlog by 50% System-wide while not allowing FCI to increase at any one institution

Vetoed Projects from 2008

- Priority 2 North Hennepin Community College – Business and Technology Addition and Renovation**
- Design funded in 2006
 - \$15 m for construction and renovation of 35,400 sq ft; to convert underutilized open space for new classrooms and offices
 - New addition of 29,500 sq ft for 10 classrooms
 - Project will support science, technology, engineering and math initiatives; business, technology and online programs
 - Eliminates \$1.5 million of deferred maintenance
- Priority 3 Classroom Renovation Initiative at 7 campuses: Central Lakes College, Brainerd; Minnesota State Community and Technical College, Moorhead and Wadena; Minnesota West Community and Technical College, Pipestone; Northland Community and Technical College, Thief River Falls; Pine Technical College; and Rochester Community and Technical College**
- \$4.35 m for renovation of 45,000 sq ft of obsolete classrooms
 - Project will support improvement of existing classroom spaces
 - Eliminates \$1.8 million of deferred maintenance
 - \$250,000 for demolition of 25,000 sq ft of obsolete and energy inefficient aviation training hangers at Thief River Falls campus of Northland Community and Technical College with minor renovation to accommodate programs relocated to main campus
- Priority 4 Lake Superior College – Health Science Center**
- Design funded in 2006
 - \$12.4 m for construction of 36,700 sq ft addition; and renovation of 4,000 sq feet
 - Project will support addition for teaching laboratories, hospital nursing center and high-tech classrooms
 - Eliminates \$480,000 of deferred maintenance

Priority 5 Metropolitan State University – Classroom Center Addition

- Design funded in 2006
- \$5.86 m for construction/renovation of 16,500 sq ft on top of the existing energy plant
- Demolition of 90 year old chimney
- Project will support science, technology, engineering and math initiatives
- Eliminates \$3.9 million of deferred maintenance

Priority 6 Northeast Higher Education District; Mesabi Range Community and Technical College, Eveleth – Shop Space Addition and Renovation

- Design funded in 2006
- \$5.65 m for construction of 12,700 sq ft addition for industrial shops
- Project will support science, technology, engineering and math initiatives

Priority 7 Dakota County Technical College – Property Acquisition

- \$3.5 m to acquire 105 acres of University of Minnesota land that the college has leased since 1989
- Project will support transportation programs, decision driving course and railroad conductor training
- Five property acquisition projects were vetoed in 2008; only this one is recommended at this priority level for 2010

Carry forward projects from design and/or construction phasing in 2008**Priority 8 Alexandria Technical College – Phase 2, Renovations**

- Design funded in 2006
- Construction of new Law Enforcement Center funded in 2008 for \$10.5 m
- \$4.4 m for renovation of 8,400 sq ft vacated spaces due to construction of new Law Enforcement Center Addition; new construction of 10,000 sq ft
- Conversion of gymnasium to industrial teaching lab; renovation of student services
- Renovation of library and student commons
- Eliminates \$208,000 of deferred maintenance

Priority 9 Minnesota State Community and Technical College, Moorhead – Library and Classroom Addition

- Design and partial construction of the Mechanical Trades area funded in 2008 for \$2.5 m
- \$5.5 m for construction of 26,000 sq ft addition for library/learning resource center and 12 classrooms
- Project will support science, technology, engineering and math initiatives
- Eliminates \$2.5 million of deferred maintenance

- Priority 10 Anoka-Ramsey Community College, Coon Rapids – Renovation of the Fine Arts Building**
- Design and partial construction of the Fine Arts building funded in 2008 for \$3.8 m
 - \$5 m for construction and renovation of the 16,000 sq ft Fine Arts Building
 - Project will support music, art, glass blowing, bronze casting, pottery, and visual arts
 - Eliminates \$1 million of deferred maintenance
- Priority 11 Hennepin Technical College, Eden Prairie and Brooklyn Park campuses – Learning Resource Center/Student Service Center**
- Design and construction of science lab at Eden Prairie funded in 2008 for \$2.4 m
 - \$10.6 m to renovate Learning Resource Center/ Student Services Center, both campuses
 - Approximately 45,300 sq ft renovation and 3,200 sq ft new construction
 - Project will support science, technology, engineering and math initiatives
 - Eliminates \$800,000 of deferred maintenance
- Priority 12 Minneapolis Community and Technical College – Workforce Program and Infrastructure Renovation**
- Design funded in 2008 for \$400,000
 - \$13.05 m for renovation of 56,000 sq ft of workforce related program space
 - Project will support technical workforce programs relating to nursing, architectural technology, air traffic control, computer security, heating, ventilation, air conditioning, refrigeration, photography and digital imaging
 - Eliminates \$7.6 million of deferred maintenance
- Priority 13 Ridgewater Community and Technical College, Willmar – Phase 2 Technical Instruction Construction and Renovation**
- Design and partial construction funded in 2008 for \$3.5 m
 - \$14.5 m for renovation of 70,000 sq ft; new construction of 1,400 sq ft and demolition of 8,500 sq ft of outdated and inefficient space
 - Project will support technical trades and support technology, engineering and math
 - Eliminates \$5.2 million of deferred maintenance
- Priority 14 Minnesota West Community and Technical College, Worthington – Fieldhouse Renovation and Addition**
- Design funded in 2008 for \$450,000
 - \$4.73 m for construction of 10,000 sq ft addition and renovation of 15,000 sq ft
 - Supports physical education, health, law enforcement and physical therapy programs
 - Partnership with city and local YMCA for joint shared use facilities
 - Eliminates \$2 million of deferred maintenance

Priority 15 South Central College, Faribault – Classroom Renovation and Addition

- Design partially funded in 2008 for \$400,000
- \$13.5 m to complete design and renovate 43,500 sq ft; and construct 12,800 sq ft addition for library/learning resources center
- Project will support technical programs and science, technology, engineering, mathematics and health care programs
- Eliminates \$1.1 million of deferred maintenance

Priority 16 Anoka-Ramsey Community College, Coon Rapids – Bioscience and Allied Health Addition

- Design partially funded in 2008 for \$303,120
- \$16.5 m to complete design and construct 30,000 sq ft addition
- Project will support bioscience and 4 year programs from state university partners, health career programs, science, technology, engineering and mathematics

Priority 17 North Hennepin Community College – Bioscience and Health Careers Center

- Design partially funded in 2008 for \$596,880
- \$27 m to complete design and construct 60,000 sq ft addition
- Project will support bioscience development, medical device programs and 4 – year programs delivered by state university partners; health careers and science, technology, engineering and mathematics

Priority 18 Minnesota State University Moorhead – Livingston Lord Library Renovation

- Design partially funded in 2008 for \$400,000
- \$15.41 m to complete design and renovate 134,000 sq ft of 1960 vintage, outdated library and other academic and support space
- Eliminates \$5 million of deferred maintenance

Priority 19 Southwest Minnesota State University – Science Lab Renovation

- Design partially funded in 2008 for \$200,000
- \$5.9 m to complete design and renovate 19,100 sq ft and construct 1,400 sq ft new addition
- Project will support biology, biology education, medical technology, cytotechnology, chemistry, chemistry education, environmental science, geology, natural science, humanities and environment, agronomy, physics and preprofessional programs
- Eliminates \$2.7 million of deferred maintenance

Priority 20 St. Cloud State University – Integrated Science and Engineering Laboratory Facility (ISELF)

- Design partially funded in 2008 for \$900,000
- Additional funds available from 2008 funded Brown Hall project will complete design
- \$44.77 m for construction of 98,800 sq ft science and engineering laboratory facility
- Project will provide laboratory space for health science programs and integrate work across engineering, sciences and student research projects in addition to general support for science, technology, engineering and math initiatives

- Priority 21 Dakota County Technical College – Transportation and Emerging Technologies**
- Design partially funded in 2008 for \$200,000
 - \$7.3 m to complete design and renovate 115,000 sq ft for transportation and emerging technologies programs
 - Project will support transportation and technical education in shared, flexible labs and classrooms in addition to supporting general technology, engineering and math initiatives
 - Eliminates \$3.5 million of deferred maintenance
- Priority 22 St. Cloud Technical College – Allied Health Center**
- Design partially funded in 2008 for \$200,000
 - \$5.6 m to complete design and renovate 53,000 sq feet in Allied Health building
 - Project will support health care program offerings and science, technology and math
 - Eliminates \$60,000 of deferred maintenance
- Priority 23 Rochester Community Technical College – Workforce Center Co-location**
- Design partially funded in 2008 for \$200,000
 - \$3.25 m for mechanical system renovation and infrastructure for the Heintz Center; adds mechanical HVAC capacity to for the co-locating regional Workforce Center
 - Total project cost is approximately \$8 million
 - Project is joint partnership for shared space with the local Workforce Center
 - Eliminates \$2 million of deferred maintenance

New Projects for 2010

- Priority 24 Science, Technology, Engineering and Math (STEM) Renovation Initiative at 9 campuses: Bemidji State University; Minnesota State University Moorhead; Century College; Minnesota State Community and Technical College, Moorhead; Itasca Community College; Hibbing Community College; Northwest Technical College, Bemidji; and South Central College, North Mankato**
- \$5.5 m for design and renovations supporting STEM related programs at nine campuses
 - Projects renovate existing spaces for approximately \$550,000 each
 - Science initiatives have been a great benefit in the System by spreading funding for upgrading obsolete lab spaces at multiple campuses
 - Project will support science, technology, engineering and math initiatives

Priority 25 Minnesota State University, Mankato – Clinical Science Building

- \$1.95 m design funded in 2010
- Phased project including \$35 m for 55,600 sq ft addition in 2012; and \$5.2 m for 20,300 sq ft renovation in 2014
- Project scored the highest in three of the Strategic Directions: High Quality Learning, State and Regional Economics, and Innovative Education Efficiency
- Supports allied health sciences and regional health initiatives with clinical services in dental, hearing, and medical programs
- Project will support science, technology, engineering and math initiatives
- Eliminates \$2.3 million of deferred maintenance

Priority 26 Normandale Community College – Academic Partnership Center and Student Services Building

- \$23.3 m in 2010 for 82,000 sq ft addition for 30 classrooms for 2 and 4- year partners, including Metropolitan State University and MSU, Mankato (approximately 125 FYE are currently enrolled as 4 year students)
- \$15 m in 2012 for 45,000 sq ft renovation and 19,850 new sq ft of student services
- College has the most extensive use in time and credit hours of any other
- Project reduces the instructional space deficit of 34% by providing 30 additional classrooms thereby increasing capacity by 1,460 FYE. With additional 4-year expansion, an additional 3,000 FYE could be accommodated by this project
- Accelerated budgeting and project delivery proposed to enable occupancy of new building as early as January 2013
- Project will support science, technology, engineering and math initiatives
- Scored in the top three projects; and in the aggregate of Strategic Directions tied for second highest

Priority 27 Bemidji State University – Business Remodel of Memorial Hall

- \$982,000 design in 2010 and \$2.25 m for abatement and demolition of 94,635 sq ft of vacant, former residential space
- Proposed \$16.2 m in 2012 for demolition of 50,800 sq ft removing two separate, inefficient structures; renovation of 48,800 sq ft; renewal of 21,500 sq ft and 23,300 sq ft of new construction
- Project has a unique funding mix that includes Revenue Bonds for student union related space; auxiliary and outside sources of funding for a total project cost of \$20 million
- Project will support business programs, general instruction, student services and renewal of obsolete and underutilized spaces
- Project scored highest in the Sustainable Campus category and second highest in State and Regional Economics and Innovation Education Efficiency
- Eliminates \$3.7 million of deferred maintenance

- Priority 28 Metropolitan State University – Science Education Center**
- \$3.6 m for design and acquisition of adjacent property in 2010
 - Proposed \$34.1 m in 2012 for 58,600 sq ft new construction
 - The Saint Paul campus has only two science lab spaces, and is the only university in the System without a major science lab center
 - Supports health careers and program expansion into science, technology, engineering and math initiatives
 - Project scored in the top five of the Strategic Directions and the highest in Access and Opportunity
- Priority 29 Rochester Community and Technical College – Classroom Renovation and Infrastructure Renewal**
- \$988,000 for design in 2010
 - \$13.4 m in 2012 for 31,000 sq ft renovation; 12,400 sq ft for student space/classrooms and 46,000 sq ft of HVAC renovation
 - Supports partnership with Winona State University
 - Significantly improves forty year-old inefficient general classrooms, Anatomy and Physics labs; supports science, technology, engineering and math initiatives
 - Project includes installation of a 10 KW wind turbine and energy efficient physical plant
 - Project scored in the top four and tied as the fifth highest in Strategic Directions
 - Eliminates \$2.2 million of deferred maintenance
- Priority 30 Library Initiative for Technical Colleges at 8 campuses: Anoka Technical College; Central Lakes College, Staples; Minnesota State Community and Technical College, Wadena; Minnesota West Community and Technical College, Canby and Pipestone; Riverland Community College, Albert Lea; St. Cloud Technical College and Saint Paul College**
- \$3.9 m for and renovation of 24,000 sq ft for eight technical college libraries
 - Project will support shifting library demands as traditional technical colleges include more non-technical college programs
 - Renovations range from \$50,000 to \$1.5 m depending on individual campus need
- Priority 31 Property Acquisition – Bemidji State University and Minneapolis Community Technical College**
- Secures major, vacant property adjacent to campus
 - Bemidji State University – \$2 million for former high school property
 - 11 acres providing university access on major city thoroughfare
 - Minneapolis Community and Technical College – \$5.3 million for property adjacent to campus in downtown core
 - Slightly less than 2 acres of a unique urban opportunity