

FY 2009-10 Supplemental Capital Construction Request

Colorado School of Mines New Residence Hall (202 Project)

Motion: Approve the supplemental request from the Colorado School of Mines for additional cash funds spending authority (\$3,016,497 CF) for the New Residence Hall (202 Project) contingent upon approval by the Trustees of the Colorado School of Mines.

GENERAL INFORMATION

2010-019

1. Which supplemental criterion does the request meet?

Unforeseen Contingency

The Colorado School of Mines (Mines) is increasing the scope of its New Residence Hall project in order to provide additional housing for first-year students and to improve energy efficiency. The school is using bonds to finance the project and expects to go to market in late October in order to take advantage of an anticipated interest rate of 3.6 percent.

2. Which projects will be restricted to fund the supplemental request?

No restriction is necessary because the project is funded from cash sources.

3. Has the request been approved by OSPB and CCHE?

Yes

PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill: SB 09-0259

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$24,871,380	\$3,016,497	\$0	\$27,887,877
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REASON FOR SUPPLEMENTAL REQUEST

During the design process, Mines discovered that the planned residence hall would be located on a sloped site requiring significant backfill or additional funds to construct a partial basement level. Mines says there is a deficit of available on-campus beds to house first-year students and the construction of a partial lower level in the new building will provide 28 additional student beds.

Additionally, Mines determined that the construction of the Brown Hall Addition adjacent to the New Residence Hall would allow both buildings to receive HVAC services from the Campus Central Plant. This supplemental request will construct a utility tunnel from the Brown Hall Addition to the New Residence Hall in order to provide more efficient and cost-effective cooling to the new residence hall.

Source of cash funds. The source of cash funds for the project is Build America Bonds to be repaid from revenue earned from student rents. Mines anticipates issuing bonds in mid-November for a period of 30 years, at a rate of 3.6 percent. The anticipated annual payment is \$1.68 million per year.

Higher Education Revenue Bond Intercept Program. This project is subject to the Higher Education Revenue Bond Intercept Program, which directs the Treasurer to make payments of principal and/or interest on bonds, on behalf of a state-supported institution of higher education, in the event a higher education institution does not make a scheduled payment.

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SUMMARY OF PROJECT

The project constructs an 84,237-GSF, 259-student bed residence hall serving mostly first-year students on the west side of the block bounded by Maple, Illinois, 17th, and 18th streets on the main campus. The new residence hall is the first phase of a 15-year plan to increase capacity in the school's housing system to meet increased enrollment. The hall will house about 36 students per resident assistant, with two of these communities per floor configured in either double occupancy semi-suite rooms with one bathroom or single occupancy rooms with one bathroom.

QUESTIONS / OUTSTANDING ISSUES

All responses to staff questions were incorporated into the project write-up.