

Fiscal Year 2009-10 Capital Construction Request

University of Colorado -- Denver

New Pharmacy Research Building

PROGRAM PLAN STATUS

2008-104

Approved Program Plan? Yes No Date Approved:

PRIORITY NUMBERS

Prioritized By	Priority	
Dept/Inst	N/A of 2	Cash projects are not prioritized.
CCHE	N/A of 35	CCHE did not prioritize cash projects.
OSPB	N/A of 44	OSPB recommends that all cash projects be funded, but also assigned cash priorities.

PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2009-10	FY 2010-11	Future Requests	Total Cost
CF	\$0	\$11,117,804	\$0	\$0	\$11,117,804
CFE	\$59,479,572	\$0	\$0	\$0	\$59,479,572
Total	\$59,479,572	\$11,117,804	\$0	\$0	\$70,597,376

ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2009-10	FY 2010-11	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$4,331,967	\$1,043,425	\$0	\$0	\$5,375,392
Construction	\$45,186,516	\$8,751,182	\$0	\$0	\$53,937,698
Equipment	\$5,427,188	\$710,222	\$0	\$0	\$6,137,410
Miscellaneous	\$1,701,540	\$83,556	\$0	\$0	\$1,785,096
Contingency	\$2,832,361	\$529,419	\$0	\$0	\$3,361,780
Total	\$59,479,572	\$11,117,804	\$0	\$0	\$70,597,376

PROJECT DESCRIPTION / SCOPE OF WORK

The University of Colorado Denver (CU-Denver) is requesting cash funds spending authority to build-out the 37,264-GSF third floor of the Pharmacy Research Building, which is currently under design and will be constructed on the Anschutz Medical Campus beginning September 2009. As originally requested, the project constructed would have a three-story, 105,215-GSF building for the School of Pharmacy. A supplemental request in FY 2008-09 amended the project to add a fourth story. The same supplemental request indicated that the third story would be finished only as shell space intended for future use for research laboratories. This year's request will fund completion of the third floor in order to expand CU-Denver's research capabilities in the field of pharmacology and to accelerate faculty recruitment.

The School of Pharmacy moved from the university's main campus in Boulder to its current location on the 9th Avenue campus in 1992. The school's classrooms, offices, and research laboratories have since been housed in a 100,000-GSF building. The new building will be located north of Research Complex I, to the west of the new Fitzsimons Library, and next to the emerging Colorado Biosciences Park.

The third-floor 27,977-ASF build-out will include research laboratories and associated support spaces including:

- wet laboratories (11,023 ASF);

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- linear equipment corridor (3,161 ASF);
- laboratory support rooms and alcoves (8,393 ASF);
- faculty offices (4,571 ASF); and
- conference rooms (829 ASF).

PROJECT JUSTIFICATION

The university says the project was revised to include a third-floor build-out due to a greater demand for research in the science of pharmacology. According to CU-Denver, the current research topics relating to pharmacology include toxicology, medicinal chemistry, biochemistry, cancer biology, drug information, stability, delivery, pharmacokinetics, new drug development, pharmacy administration, pharmacoeconomics, and improved delivery of pharmaceutical care. CU-Denver says new and additional state-of-the-art laboratory space is need to accommodate these research activities.

CU-Denver also says that it can recognize cost efficiencies by finishing the third floor concurrent with the design and construction of the original proposed facility.

Alternatives. The university could lease research space off-site for the School of Pharmacy if completion of the third floor is delayed, but CU-Denver says this is not a cost-effective alternative.

PROGRAM INFORMATION

The School of Pharmacy is the only pharmacy school in Colorado. The school is in the top tier of research pharmacy schools and is recognized for its excellence in pharmaceutical biotechnology, cancer experimental therapeutics, cardiovascular therapeutics, AIDS/HIV clinical trials, molecular toxicology, and biomolecular structure. It is also consistently in the top ten pharmacy schools for National Institute of Health funding.

The School of Pharmacy houses two academic departments: the Department of Clinical Pharmacy and the Department of Pharmaceutical Sciences. Enrollment projections show increasing enrollments within the school between 2006 and 2011. The number of classroom students is projected to increase from 501 students to 624 students during this same time frame. Additionally, the new facility will accommodate the current 54 faculty members plus future growth up to 66 faculty members.

LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of SB 07-051 because it is not being built with state funds. However, the university plans to seek the LEED silver standard, the third highest of four possible certification levels.

PROJECT STATUS

The New Pharmacy Research Building is currently in the design phase.

SOURCE OF CASH FUNDS

The source of cash funds may include gifts, institutional reserves, and/or debt service. The university says it will commence construction when funding has been identified. To date, the university has collected \$11.1 million towards the total project cost of \$70.6 million.

STAFF QUESTIONS AND ISSUES

1. Please provide an update of the source and amount of total funds available for the project. Is CU-Denver planning

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to bond for the project? If so, please provide details of the proposed debt service.

Please see Attachment A. Funds have been secured or identified for the initial project. The shelled space will be finished as funds are on-hand. Authorization is requested so that UC Denver can begin construction in a timely fashion when funds are available and the space is needed.

2. Why is the university proposing to add the build-out of the third floor before funds are secured for the rest of project?

As shown in the first table in our response to question number 1, funds have been secured or identified for the initial project.

3. Does CU-Denver anticipate that it will have sufficient funds to start construction on the project in September 2009?

As noted in our response to question number 1, the University has sufficient funds to start and finish construction of the Pharmaceutical Research Center as contemplated in our previously approved program plan and earlier program plan amendment. We are asking for additional authority to finish the fit-out of shelled space as funding becomes available.

4. Please provide an update of the work completed to date on the New Pharmacy Research Building.

The design work for the Pharmaceutical Research Center is nearing completion. The structure which occupied part of the building footprint has been razed. Currently, the contaminated site soils on the construction site are being removed. The first bid package has been released. Site and utility bids are due to be received today. Bids for the concrete structure are due in early February. The remaining bid package will be released April 10. The contractor will be mobilizing on the site and commencing construction during the week of February 9.

IMPACT ON OPERATING BUDGET

	1st Year	2nd Year	3rd Year	Total
Personnel Services	This project has no impact on state operating costs.			
Maintenance				
Utilities				
Supplies/Equipment				
Other				

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PROJECT SCHEDULE

	Start Date	Completion Date
Physical Planning	March 2009	August 2009
Construction	September 2009	January 2011
Equipment		
Occupancy		February 2011

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Pharmaceutical Research Center – with Shelled Space - \$59,479,572			
	On Hand	Pledged/Planned	Total
Gift Funds	\$4,000,000	\$7,000,000	\$11,000,000
Institutional Reserves	\$12,876,420	\$8,158,634	\$21,035,054
Regent Authorized Debt	\$0	\$27,444,518	\$27,444,518
Total	\$16,876,420	\$42,603,152	\$59,479,572

Current Proposed Buildout of Shelled Space - \$11,117,804			
	On Hand	Pledged/Planned	Total
Gift Funds	0	0	0
Institutional Reserves	\$1,866,000	0	\$1,866,000
Total	\$1,866,000	0	\$1,866,000