

# Fiscal Year 2010-11 Capital Construction Request

## Colorado State University

### Lory Student Center Theatre Renovation

#### PROGRAM PLAN STATUS

2011-052

Approved Program Plan?

 Yes

Date Approved:

#### PRIORITY NUMBERS

Prioritized By

Priority

Dept/Inst

NP of 10

#### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$0	\$6,000,000	\$0	\$0	\$6,000,000
<b>Total</b>	<b>\$0</b>	<b>\$6,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,000,000</b>

#### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$506,000	\$0	\$0	\$506,000
Construction	\$0	\$4,540,240	\$0	\$0	\$4,540,240
Equipment	\$0	\$283,350	\$0	\$0	\$283,350
Miscellaneous	\$0	\$105,300	\$0	\$0	\$105,300
Contingency	\$0	\$565,110	\$0	\$0	\$565,110
<b>Total</b>	<b>\$0</b>	<b>\$6,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,000,000</b>

#### SUMMARY OF THE PROJECT

**Staff note.** The project cost is decreased from that originally requested as part of the university's two-year projection of cash need. See staff questions and issues below for an explanation.

Colorado State University (CSU) is requesting cash funds spending authority to renovate the Lory Student Center Theatre to redesign the seating and expand the prefunction space. The seating redesign will expand the theatre's possible uses to include lectures, banquets, conferences, and meetings. The project will also improve the theatre's audiovisual and technical capabilities, improve ADA access, and upgrade the mechanical and electrical systems to address deferred maintenance. The theatre prefunction space will be expanded to include a box office, restrooms, and food concessions. According to the CSU, the theatre is currently underutilized due to the fixed seating and sloping floor.

**Source of cash funds.** The university plans to issue a combination of Recovery Zone Economic Development Bonds and Build America Bonds for five capital projects, including the theatre renovation project. The bonds will be issued for a period of 30 years at an anticipated rate of 4.24 percent with an average annual payment of \$6.3 million. The source of cash funds to repay the portion of the bonds issued for this project is the Lory Student Center fee.

**Required approvals.** Pursuant to Section 23-1-106 (10)(b), C.R.S., any cash project included on an institution's Two-Year List of Projected Cash Need that is subject to the Higher Education Revenue Bond Intercept Program requires additional review by the Capital Development Committee (CDC) and the Joint Budget Committee (JBC). Thus, this project must be approved by the CDC as part of the institution's submitted Two-Year List of Projected Cash Need and, once notification has been received that the program plan and budget documents have been approved by

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the Colorado Commission on Higher Education, separately recommended to the JBC. This project was approved by the CDC as part of the Colorado State University Two-Year List on December 2, 2009.

#### **Staff questions and issues.**

1. The cost of the project as originally submitted was \$25 million. Please explain the reduction in the project's cost.

*The \$25M was an initial estimate for a full renovation of the Lory Student Center. During the Masterplan process completed in March 2010 it became apparent that the project would have to be completed in phases, and the overall cost will be much greater than \$25M. The theatre renovation is the first phase of the project. It will allow better utilization of the theatre for the present and provide swing space as subsequent phases of the project are constructed.*

2. The CC-C narrative references "compliance" issues. Please clarify the outstanding "compliance" issues.

*Compliance issues in the current theatre are lack of sprinklers and no handicapped access to upper levels.*

3a. What is the existing Lory Student Center fee?

*(Full time fee for six or more credits per student per semester)*

- *Lory Student Center Operations Fee: \$90.67*
- *Lory Student Center Facilities Construction/Renovations Fee: \$6.42*

3b. On average, how much is earned annually from this fee?

*The amount of revenue received from student fees fluctuates based on enrollment. Fees for FY08 and FY09 averaged \$4,556,623.*