

# Fiscal Year 2010-11 Capital Construction Request

## Western State College Paul Wright Gymnasium Renovation

### PROGRAM PLAN STATUS

2010-028

Approved Program Plan?  Yes  Date Approved:  October 2, 2008

### PRIORITY NUMBERS

Prioritized By	Priority	
Dept/Inst	1 of 3	
CCHE	15 of 45	
OSP - HghE	10 of 15	The project is not recommended for funding.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2010-11	FY 2011-12	Future Requests	Total Cost
CF	\$0	\$32,000,599	\$0	\$0	\$32,000,599
<b>Total</b>	<b>\$0</b>	<b>\$32,000,599</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,000,599</b>

### ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2010-11	FY 2011-12	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$3,091,317	\$0	\$0	\$3,091,317
Construction	\$0	\$26,645,444	\$0	\$0	\$26,645,444
Equipment	\$0	\$700,000	\$0	\$0	\$700,000
Miscellaneous	\$0	\$40,000	\$0	\$0	\$40,000
Contingency	\$0	\$1,523,838	\$0	\$0	\$1,523,838
<b>Total</b>	<b>\$0</b>	<b>\$32,000,599</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,000,599</b>

### SUMMARY OF THE PROJECT

**Staff note.** This project was originally requested from state funds for FY 2010-11.

Western State College is requesting cash funds spending authority to construct a multi-purpose field house and student recreation center to address a shortage in campus recreation and athletic space. The project will serve the needs of the Recreation and Exercise Sport Sciences program and the Department of Athletics, as well as general campus recreation functions. The expansion will address shortages of classroom space, inadequate office space and facilities for faculty and athletic staff, and make-shift recreation facilities used by the student body. The field house will include space for club and intramural sports, and several academic programs, and will also include a 200-meter indoor track for the NCAA Division II athletic program. The recreation center will include multi-purpose exercise rooms, climbing and bouldering walls, and locker facilities. The university plans to commence project construction in fall 2012, after the completion of a new apartment complex, and complete the new facility in 2014.

**Source of cash funds.** The university plans to issue Build America Bonds for several projects, including the Paul Wright Gymnasium Renovation and Expansion. Access to this program expires in December 2010. The bonds will be issued for a period of 35 years at an anticipated interest rate of 4.3 percent. The source of cash funds to repay the bonds issued for this project is a facility fee approved by students in spring 2010.

**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

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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 the Colorado Commission on Higher Education, separately recommended to the JBC.

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

1. What is the expected average annual payment for the bond issuance?

*The estimated average annual debt service (P&I) payment is \$3.4 million. Payments will be made from revenues generated from Western's student housing program and the newly adopted facility fee.*

2. Will the bond issuance include any other projects besides the Shavano Apartment Complex Replacement and the Paul Wright Gymnasium Renovation projects? If so, what other projects will be included in the issuance?

*The college intends to issue, through this same transaction, its allocation of \$1.6 million in Qualified Energy Conservation Bonds (QECB) to fund our energy performance contract with Ameresco, Inc. Qualified Energy Conservation Bonds are a taxable instrument that provides a 70 percent federal subsidy on interest payments. The college received this allocation through a competitive grant process from the Governor's Energy Office.*

3. Does the Paul Wright Gymnasium Renovation project only construct a new facility or is some renovation of the existing facility included in the project scope?

*The college intends to do some minor remodel of existing classroom and locker room space to maximize programmatic efficiency with the new addition. We anticipate that the total amount of space to be remodeled will be approximately 5,000 square feet.*