

November 15-16, 2007

ITEM 137-1004-R1107

**Increase in Project Authorization for Phyllis Washington Education Center; The University of Montana-Missoula**

**THAT**

Consistent with the provisions of MCA 18-2-102, the Board of Regents of Higher Education authorizes The University of Montana-Missoula to increase the project budget for the Phyllis Washington Education Center. This original request for authority was in the amount of \$7,500,000, this request is for an increase the project authority to \$12,000,000.

**EXPLANATION:**

The University of Montana submitted the Education Building Addition as a Long Range Building Program Authority only project for the 60<sup>th</sup> Legislative Session. This request for spending authority in the amount of \$7,500,000 was to construct an addition of approximately 30,000 GSF. Funding for this project would be raised by The University of Montana from private sources.

The State entered into an architectural contract with OZ architects for the planning of the facility in July 2006. The architects worked closely with the campus building committee and the primary donor, Phyllis Washington, to develop a comprehensive programming and Schematic Design document for the building. This document completed in May 2007, envisioned a 27,407 square foot addition with a construction cost of \$7,238,692 and a project cost of \$10,000,000. This significant increase in construction costs is consistent with the trends that the building industry has experienced in the state over the past several years. Also, the high-tech instructional aspects of the design have contributed to the cost increase even though the building size has stayed the same.

The design team and the building committee reviewed the program to see if there was any program that could be cut to get the project back into the original budget. It was determined that any significant cuts to the building program would have a detrimental impact on the donor's vision for the facility and that additional fund raising would be necessary to fund the \$10,000,000 budget.

The University cannot wait until the next legislative session to obtain the additional authority due to commitments to the donor and the considerable inflation costs estimated at 1%

per month. Therefore, the university requests that the Budget Director authorize a budget amendment per MCA 17-7-211 (2) (b) to increase the project budget to \$12,000,000.

The additional requested authority will cover anticipated inflation costs and any other unexpected project costs.

The University is not seeking additional O&M costs for the facility over the previously requested \$264,600.00 per year FY06 dollars identified in the New Building/New Space Request Form submitted by the Montana University System to the HB5 subcommittee during the 60<sup>th</sup> Legislative Session.

This authority request is for an amount greater than \$150,000, which requires the following additional information:

(a) Project Description:

The University of Montana is planning to build a \$12,000,000 education center that is to be attached to and east of the current Education building. As a part of the School of Education, the Center will serve as the site for preparing teachers of the future. The major functions of the building are to provide space for state of the art pre-schools that serve as demonstrations schools for university students and to serve as a state of the art educational technology facility.

(b) Cost Estimate and Funding Sources:

Construction	\$7,238,000
Architectural Fees, Surveys, and Project Administration	814,450
Non-Contracted Labor	50,000
Utilities & Parking	300,000
Testing and Commissioning	100,000
Contingency	2,747,550
Furniture & Equipment	750,000

<b>PROJECT TOTAL</b>	<b>\$12,000,000</b>
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This project will be financed with private donations.

(c) Programs Served, Enrollment Data, Projected Enrollments:

(Not applicable to this request)

(d) Space Utilization Data:

The work completed under this authority will provide approximately 27,400 square feet of new educational instructional, lab, classroom and office space that is not currently available on campus.

(e) Projected Use for Available Residual Space:

(Not applicable to this request)

(f) Projected O&M Costs and Proposed Funding Sources:

O&M costs for this facility are projected to be \$264,600.00 for the first full year of operation in FY 2010.