

ITEM 146-2001-C0310

Authorization to Renovate Cooley Lab; Montana State University

THAT:

Consistent with the provisions of MCA 18-2-102 2(c), the Board of Regents of Higher Education authorizes MSU to renovate Cooley Lab. The estimated cost for this project is \$17,000,000.

EXPLANATION:

1. Cooley Lab was constructed in 1960 and contains approximately 31,000 gross square feet of building space. The building houses research functions of the Microbiology Dept and has had no major renovation work over its 50 years of continuous use.
2. The existing facility has an estimated \$6.7 million worth of accumulated deferred maintenance, HVAC systems have served beyond their useful life cycles and laboratories are obsolete.
3. ITEM 129-2005-R1105, followed by ITEM 138-2007-R0308, (both subsequently approved by the governor) authorized MSU to use NIH funding to renovate the two upper floors of Cooley Lab. However, high bid/costs in the volatile construction market of 2008 made the project financially unviable at the time.
4. MSU has received a new \$14,896,564 grant from NIH (90% American Recovery and Reinvestment Act/stimulus funds) to help renovate the entire Cooley Lab building. This expansion of the project scope, and the award of a new grant, increases the required project authority to \$17,000,000.
5. Upgrading the laboratories will allow the faculty to conduct productive research at the highest level and increase the ability to attract and retain the highest quality faculty and students.
6. Renovating and modernizing this facility will allow MSU to retain current faculty who possess the greatest potential to contribute to economic development through their externally funded research programs and to recruit additional entrepreneurial teaching and research faculty.
7. Students will benefit greatly from this whole-building renovation project. The resulting modern, safe laboratories will enable greater student participation in research efforts (at both the undergraduate and

graduate levels). The integration of the instructional and research environments greatly enhances the academic experience for all students.

8. The State of Montana will also derive significant benefit from this complete renovation project. The NIH requires the building to be renovated to meet LEED certification. The project will eliminate an estimated \$6.7 million worth of accumulated deferred maintenance including seismic deficiencies; install completely new, code-compliant and energy-efficient HVAC systems; install new windows, a new enclosed mechanical penthouse and a new roof system.
9. This project will be financed with \$15,629,280 in NIH grant funds (\$14,896,564 from NIH grant #C06RR030426-01 plus \$732,716 from NIH grant #1C06RR020117); \$70,720 in facility and administrative cost recovery funds; and, \$1,300,000 in funds from a State Board of Investments InterCap loan, which will be repaid with Other Lawful Purpose Funds, in excess of current debt requirements.
10. MSU anticipates continuing with the same design team originally appointed at the beginning of the Cooley project.
11. The grant-funding for this project requires the authorization of the Board of Regents and the consent of the Governor.

Board of Regents Policy: Physical Plant B Section 1003.7

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

(a) Project Description:

This project encompasses renovation all five floors of the building (approximately 31,000 gross square feet) to house biomedical laboratories that will integrate research with teaching functions (for both undergraduate and graduate programs); laboratory support spaces; and, faculty offices.

(b) Cost Estimate and Funding Sources:

- Estimated Cost
 - Design/Construction Admin \$ 1,500,000
 - Construction \$ 13,950,000
 - Contingency \$ 1,550,000
 - Total Estimate \$ 17,000,000

- Funding Source: This project will be financed with a total of \$15,629,280 in NIH grant funds as noted above, \$70,720 in facility and administrative cost recovery funds, and \$1,300,000 in funds from a State Board of Investments InterCap loan, which will be repaid with Other Lawful Purpose Funds, in excess of current debt requirements.

(c) Program served, enrollment data, projected enrollment:

The occupants of the proposed facility will consist primarily of biomedical research programs in microbiology, cell biology and neuroscience, and veterinary molecular biology; however the integration of the research and teaching enterprise is crucial to the success of MSU's undergraduate and graduate programs. Involvement in undergraduate research has been critical to the success of all of our Goldwater scholarship winners in the sciences. There are approximately 103 microbiology undergraduate majors and 414 cell biology and neuroscience undergraduate majors. Students from all levels assist with funded research and interact closely with faculty conducting research. Grant and contract expenditures by the Microbiology Department were in excess of \$1 million, not including the INBRE expenditures of \$16.6 million distributed over 5 years. Grant and contract expenditures by the Cell Biology and Neuroscience Department were in excess of \$2.5 million. Cooley Lab includes space for genomics research and bioinformatics research and training, both of which are INBRE-supported, multi-user, multi-department activities.

(d) Space Utilization Data:

The approximately 31,000 gross SF renovation will include 54% assignable space, with ~91% of the assignable space consisting of lab and support spaces and ~9% offices.

(e) Projected use for available residual space:

All of the space anticipated to be renovated by this project is currently occupied and no residual space is expected.

(f) Projected O&M Costs and proposed funding sources:

The space to be renovated currently includes some laboratory operations. While no appreciable increases in utilities and O&M are anticipated, because the building will be renovated to meet LEED certification, any associated increases in these costs as a result of this renovation will be recovered from non-state appropriated funds through the University's Overhead Cost Distribution model.