BOISE STATE UNIVERSITY

SUBJECT

Fine Arts Building Construction Authorization Increase and Reallocation of Bond Proceeds

REFERENCE

June 2012 Six-year Capital Improvement Plan Amendment

April 2013 Idaho State Board of Education (Board) approved

planning and design for new Fine Arts Building at a

cost not to exceed \$2,885,000

October 2016 Board approved construction for new Fine Arts

Building at a cost not to exceed \$42,000,000

December 2016 Board approved issuance of general revenue bonds

for construction of the Fine Arts Building

December 2017 Board approved the issuance of general revenue

project bonds for construction of the Micron Center for

Materials Research

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.K.1 and V.F.3

ALIGNMENT WITH STRATEGIC PLAN

Goal 2: Educational Attainment, Objective A: Higher Level of Educational Attainment and Objective C: Access

BACKGROUND/DISCUSSION

In October 2016, the Board approved Boise State University's (BSU's) request to construct a new Fine Arts building on campus along the Capitol Boulevard corridor. Due to the volatility in the construction market, the project was bid with portions of the building (the fourth floor, office suites adjacent to and above the galleries, and the World Museum space) constructed as shelled, or unfinished, space. Additive alternates to finish out these spaces were included in the original construction bids, however sufficient funding did not exist at the time of the award to allow for the build out of the alternates. Construction of the Fine Arts building began in early 2017.

In December 2017, BSU issued general revenue bonds (Series 2017A bonds) to construct the Micron Center for Materials Research, a Board approved project. A contingency was included in the bond issuance for market volatility and bids for that project came in below estimates. BSU now has approximately \$4 million in excess bond proceeds. BSU requests permission to reallocate the bond proceeds and spend up to an additional \$2.5 million in institutional funds to build

out the shelled spaces in the Fine Arts building and purchase furniture, fixtures and equipment (FF&E) for the building.

IMPACT

Completion of the shelled spaces and purchase of FF&E will result in the completion of the entire building before opening. If the shelled spaces are not constructed as a part of the current project, the costs to complete the spaces at a later date will be substantially greater due to separate mobilization/demobilization costs and the inability to leverage project cost efficiencies. In addition, the unfinished spaces are located directly above and adjacent to several academic and gallery spaces, which will be fully occupied and used throughout the day. Future construction would need to be completed after hours and on weekends, further driving up the construction costs.

The revised funding package is as follows:

PBFAC funds (FY2016 and FY2017)	\$ 5,000,000
Private and Institutional funds	\$ 7,500,000
Strategic Facilities Bonds	\$36,000,000
Total	\$48,500,000

ATTACHMENTS

Attachment 1 – Project Budget

Attachment 2 – Capital Project Tracking Sheet

Attachment 3 – Project Drawings

STAFF COMMENTS AND RECOMMENDATIONS

Board Policy V.F.3. allows excess bond funds to be spent on other projects with the same tax status as the original issuance. The approval for that expenditure requires Board approval.

The Special Board Meeting was called when staff were informed that authorization needed to be provided for the additional expenses prior to the regular Board meeting or it would delay the occupancy of the new building. Staff spoke with the Idaho Division of Public Works (DPW) regarding the project and it was confirmed that Board action for authorization was required immediately or the lack of authorization would delay the occupancy of the building by a semester. Staff was informed that this would delay occupancy of the building and that this concern had been known for a period of two months. The cost of finishing the project has escalated from the time that the original project was approved in October 2016.

At the time the project was approved, the following language was part of the original agenda item. "Portions of the work, including the build-out of the fourth floor of the building and the second floor office areas adjacent to and above the

gallery will be bid as additive alternates in an effort to assure a successful award within the budget. Even with the margin which additive alternates may provide, continuing volatility and inflation create risk for BSU."

The project was designed with shelled space included for a total cost of \$42 million. Without additional funding, full occupancy of the building would not be possible. The plans approved by the Board in October 2016 call for shelled space on the fourth floor. The plans for the building show that the shelled space includes the painting and drawing studios, a computer lab, illustration studio, a library, office space, and the foundations studio (where introductory classes in both 2D and 3D methods will be taught).

Staff recommends approval.

BOARD ACTION

I move to approve the request by Boise State University to increase the construction budget for the Fine Arts building to \$48,500,000 and to reallocate up to \$4 million of Series 2017A bond proceeds, plus related interest earnings, originally allocated to the Micron Materials Science Building, to the Fine Arts project.

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IVIOVAD DV	Seconded by	Carried Yes	s No
	Seconded by	Carried rev	3 110

ATTACHMENT 1

PROJECT BUDGET

Project Number:	DPW13-206
Project Title:	Fine Arts Building
Date:	Oct-18

Category	Budget
Architectural Fees	\$4,300,000
Construction Cost	\$37,600,000
Testing, Inspections and Misc.	\$500,000
Construction Contingency	\$1,600,000
Subto	\$44,000,000

University Costs	\$500,000
Furniture, Fixtures and Equipment (FFE)/World Museum	\$3,500,000
Project Contingency	\$500,000

Total Budget	\$48,500,000
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Office of the Idaho State Board of Education Capital Project Tracking Sheet

October 2018

History Narrative

1 Institution/Agency: Boise State University Project: Fine Arts Building

² **Project Description:** Construction of New Fine Arts Building

3 **Project Use:** New Building to house Art Department

4 **Project Size**: 97,000 GSF

23

6			Sources of Funds Use of Funds														
7									Total				Use of Funds				Total
8			PBF		ISBA			Other *	Other * Sources		Planning		Const		Other	Uses	
9	Initial Planning Approval	\$	-	\$		-	\$	2,885,000	\$	2,885,000	\$	2,662,000			\$	223,000	\$ 2,885,000
10	Construction Approval	\$	5,000,000	\$		-	\$	34,115,000	\$	39,115,000	\$	1,310,600	\$	34,806,780	\$	2,997,620	\$ 39,115,000
11	Const. Increase Approval						\$	6,500,000	\$	6,500,000	\$	327,400	\$	2,793,220	\$	3,379,380	\$ 6,500,000
12																	
13																	
14																	

22 Total Project Costs \$ 5,000,000 \$ - \$ 43,500,000 \$ 48,500,000 \$ 37,600,000 \$ 6,600,000 \$ 48,500,000

24 25												 Total	Total		
	istory of Funding:		PBF		ISBA	Funds F		Rev	enue/	Oth	er (Gifts)		Other	Funding	
26	Apr-13					\$	2,885,000					\$	2,885,000	\$ 2,885,000	
27	Jul-15	\$	2,500,000									\$	-	\$ 2,500,000	
28	Jul-16	\$	2,500,000											\$ 2,500,000	
29	Oct-16						29,115,000				5,000,000		34,115,000	34,115,000	
	Oct-18						6,500,000						6,500,000	6,500,000	
30	Total	\$	5,000,000	\$	-	\$	38,500,000	\$	-	\$	5,000,000	\$	43,500,000	\$ 48,500,000	

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Minnespalis, Minnesoty 55401 Telephone 612,758,4000

CIVIL ENGINEER: THE LAND GROUP, Inc. 462 East Shore Drive, Suite 100: Eagle, Idaho 83616 208-939-4041

LANDSCAPE ARCHITECT THE LAND GROUP, Inc., 462 East Shore Drive, Suite 100 Eagle, Maho 63618 208-939-4041

STRUCTURAL ENGINEER: KPFF: 412 E. Perkoenter BMd, Suite 204: Boise, klaho 83646: 208-338-6985

MECHANICAL ENGINEER Musgrove Engineering 234 S Yinispervood Way Boise, klaho 83709: 208-384-0585

ELECTRICAL ENGINEER Eidam and Associates 408 E. Parkoenter Blvd. Suite 216; Boise, Idaho, 83706; 208-345-7127

B BOISE STATE UNIVERSITY

Agency: Boise State University 1910 University Dr. Boise, ID 83725-1280 Tel: (208) 426-1188 Fax: (208) 426-1580

Owner: Idaho Division of Public Works DPMy) 502 N. 4th St. P. O. Box 83720 Delta, ID 83724-0072 Tel: (208) 332-4900 Fax: (209) 334-4031 DPW Project # 13-206

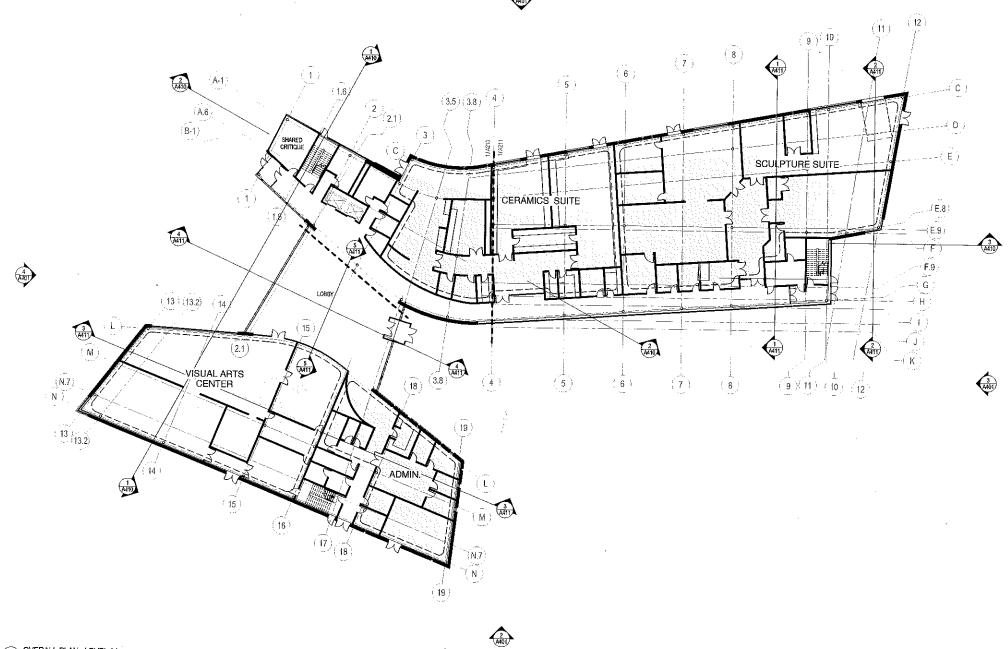
Construction manager: Engineered Structures, Inc. (ESI) 3300 E. Louise Drive Suite 300 Medidian, Idaho 80442 Tel: (208) 362-3040 Fac: (208) 362-3113



DATE: February 27, 2015 SCHEMATIC DESIGN

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TAB 1 Page 1



OVERALL PLAN - LEVEL 01

BAHR - SECTION II



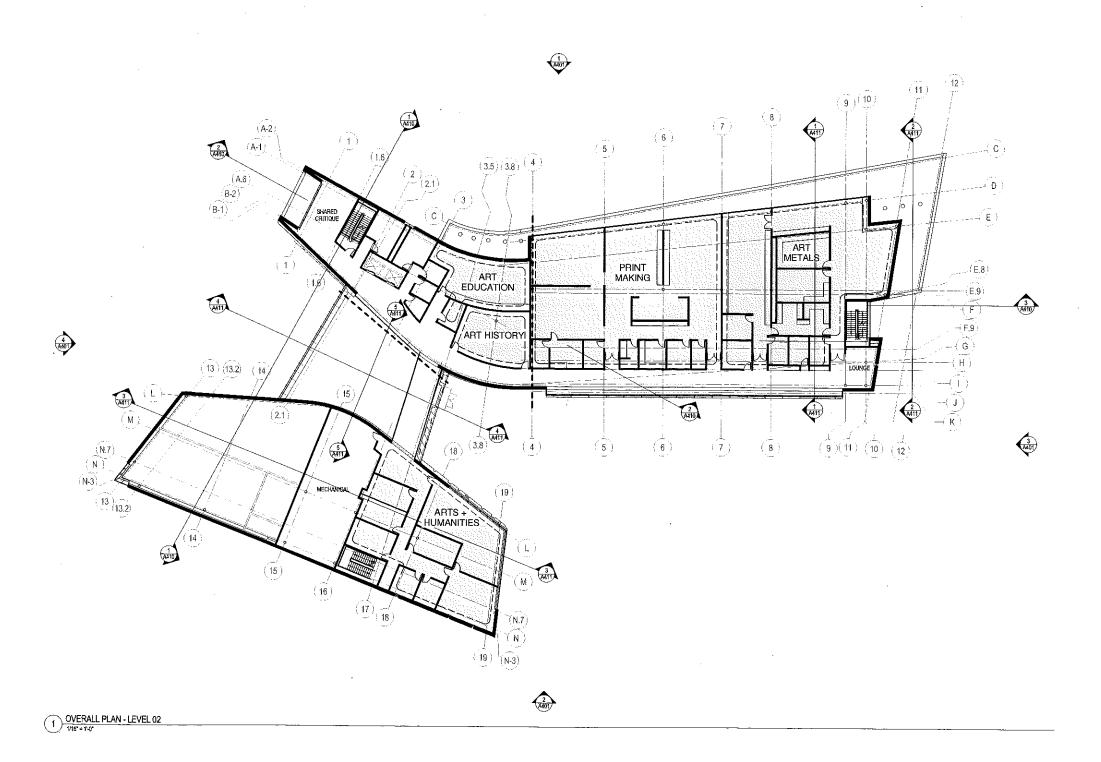
ELECTRICAL ENGINEER Eldam and Associates 408 E. Parkænter Blvd. Suite 215 Bolse, Idaho, 83706 208-345-7127

B BOISE STATE UNIVERSITY

Owner: klaho Division of Public Works (DPW) 502 N. 4th St. P. O. Box 83720 Boiss, ID 83720-0072 Tex: (208) 332-4001 DPW Project # 13-208

NO DESCRIPTION DATE HGA NO: 3424-001-00 LCA NO: 13021.01 MC PLAN - LEVEL 02

TAB 1 Page 2







CIVIL ENGINEER THE LAND GROUP, Inc. 462 East Shore Drive, Suite 100 Eagle, Idaho 83616 208-939-4041



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Owner: Idaho Division of Public Works (DPM) 502 N. 4th St. P. 0. Box 83720 Boke, ib 83720-0072 Tel; (208) 332-4903 Fax: (208) 334-4031 DPW Project # 13-206

Construction manager: Engineered Structures, Inc. (ESI) 3330 E. Louisa Drive Sulla 300 Mondian, Idaho 33642 Tel: (208) 362-3040 Fax. (208) 362-3113



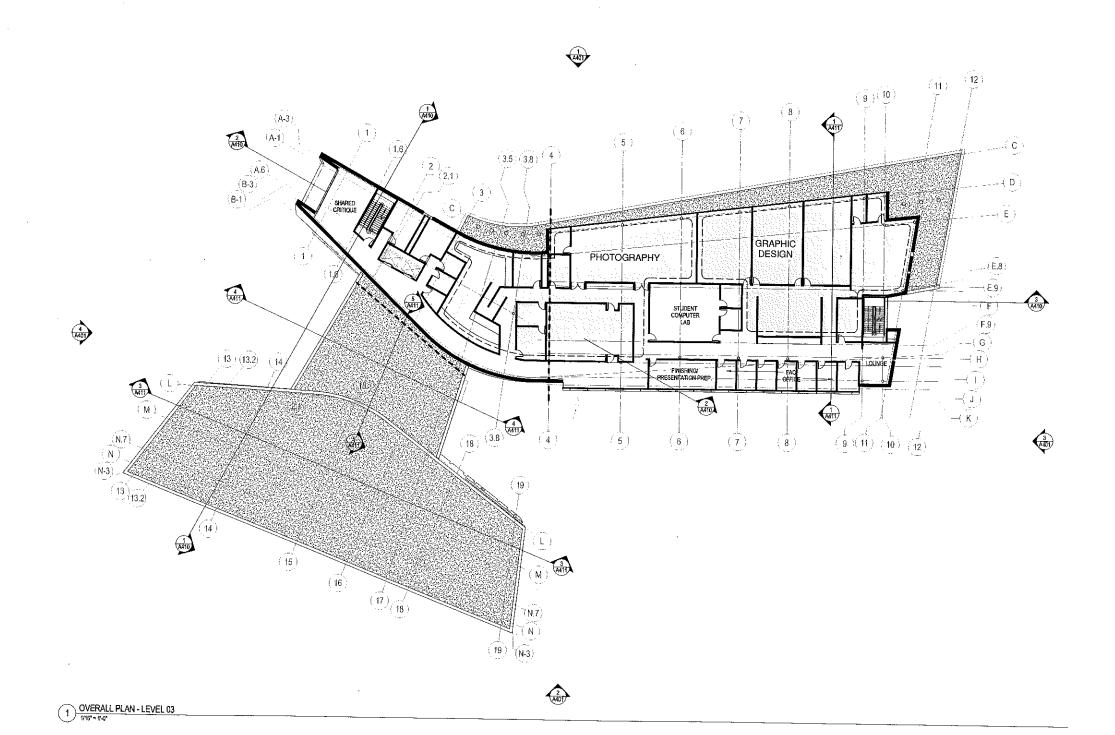
PLAN - LEVEL 03

DATE: February 27, 2015

TAB 1 Page 3

DATE: February 27, 2015

SCHEMATIC DESIGN A203





STRUCTURAL ENGINEER KPFF 412 E, Perkcenter Blvd, Suite 204 Boise, Idaho 83846 208-336-6985

MECHANICAL ENGINEER Musgrove Engineering 234 S Whisperwood Way Boise, Idaho 83709 203-394-0585

ELECTRICAL ENGINEER: Eidam and Associates 408 E. Parkcenter Blvd. Suite 215: Boise, Idaho, 83706; 208-345-7127



Agency: Boise State University 1910 University Dr. Boise, ID 83725-1260 Tel: (208) 426-1188 Fax: (208) 426-1560

Owner; Ideho Division of Public Works (DPW) 502 N. 4th St. P. 0. Box 83720 Baise, 10 83720 9072 Tel; (208) 332-1900 Fax: (208) 334-4031 DPW Project # 13-208

Construction manager: Engineered Structures, inc. (ESI) 3330 E. Louise Drive Suite 300 Medidian, Jahre 83842 Tel: (208) 362-3040 Fax: (208) 362-3113



TAB 1 Page 4 February 27, 2015

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