

DESCRIPTION OF INTERIM CAPITAL PROJECTS FOR CONSIDERATION

September 1, 2016

MIDLANDS TECHNICAL COLLEGE

PROJECT NAME: Midlands – Industrial Technology Building Expansion and Welding Lab Upgrade
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$4,500,000
INITIAL CHE APPROVAL DATE: N/A

<u>Source of Funds</u>	<u>Phase I (Pre-Design)</u>	<u>Phase II (Construction)</u>	<u>Total Proposed Budget</u>
Capital Reserve Fund - FY 2016-17	\$90,000	\$3,410,000	\$3,500,000
County Funds	\$0	\$1,000,000	\$1,000,000
<i>Total</i>	<i>\$90,000</i>	<i>\$4,410,000</i>	<i>\$4,500,000</i>

DESCRIPTION:

Midlands Technical College requests to begin design work to renovate and expand the Industrial Technology building on the Airport campus to meet the growing workforce needs of this essential job market sector. This building is 48-years-old and is approximately 11,550-square-foot. The project work is consistent with the College’s Master Facilities Plan. The facility will house more than fifty-five welding teaching stations, two classrooms and support spaces for the programs. An exterior covered section will be built for the purpose of instructing students in grinding, metal working, pipefitting and related large scale industrial projects. The facility will support both credit and continuing education, MTC QuickJobs programs, and bridge the gap between current capacity and job-growth demands. The college considered alternate means of providing space for the ever growing welding programs, but because of the inherent noise, soot and fumes associated with the programs it was decided that this existing facility provided the best isolation and could accommodate both programs in one facility.

The amount requested for Phase I (A&E) is 2.0% of the estimated total cost. This exceeds the state standard of 1.5% in order to complete the LEED 30-year life cycle cost analysis.

E&G MAINTENANCE NEEDS:

The current building condition code is 90, which indicates that there are no significant maintenance needs to address.

ANNUAL OPERATING COSTS/SAVINGS:

There are additional annual operating costs of between \$29,150 and \$30,900 associated with this project. These costs will be supported by the Local County Funds within the operations budget.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

FOR DEPARTMENT USE ONLY	
CHE	_____
JBRC	_____
SFAA	_____
JBRC Staff	_____
ADMIN Staff	_____
A-1 Form Mailed	_____
SPIRS Date	_____
Summary	_____

(For Department Use Only)
SUMMARY NUMBER
FORM NUMBER

PERMANENT IMPROVEMENT PROJECT REQUEST

1. AGENCY Code H59 Name Midlands Technical College
 Contact Person Craig E. Hess Phone 803-822-3216

2. PROJECT Project # _____ Name Midlands - Industrial Technology Expansion and Welding Lab Upgrade
 Facility # _____ Facility Name Industrial Building

County Code	32 - Lexington
New/Revised Budget	\$90,000.00

Project Type	3 - Repair/Renovate Existing Facilities/Systems
Facility Type	2 - Program/Academic

3. CPIP PROJECT APPROVAL FOR CURRENT FISCAL YEAR
 CPIP priority number 0 of 0 for FY 16/17.

4. PROJECT ACTION PROPOSED (Indicate all requested actions by checking the appropriate boxes.)

Establish Project	<input checked="" type="checkbox"/>	Decrease Budget	<input type="checkbox"/>	Close Project	<input type="checkbox"/>
Establish Project - CPIP	<input type="checkbox"/>	Change Source of Funds	<input type="checkbox"/>	Change Project Name	<input type="checkbox"/>
Increase Budget	<input type="checkbox"/>	Revise Scope	<input type="checkbox"/>	Cancel Project	<input type="checkbox"/>

5. PROJECT DESCRIPTION AND JUSTIFICATION

(Explain and justify the project or revision, including what it is, why it is needed, and any alternatives considered. Attach supporting documentation/maps to fully convey the need for the request.)

The project consists of renovation and expansion of the 48 year old Industrial Technology building on the Airport campus to meet the growing workforce needs of this essential job market sector. The work is consistent with the college's Master Facilities Plan. The facility will house 55+ welding teaching stations, 2 classrooms and support spaces for the programs. An exterior covered section will be built for the purpose of instructing students in grinding, metal working, pipefitting and related large scale industrial projects. The facility will support both credit and continuing education, MTC QuickJobs programs, and bridge the gap between current capacity and job-growth demands. The college considered alternate means of providing space for the ever growing welding programs. Because of the inherent noise, soot and fumes associated with the programs it was decided that this existing facility provided the best isolation and could accomodate both programs in one facility. Funds (0.5%, \$22,500) beyond the 1.5% are requested to complete the required LEED cost-benefit analysis.

6. OPERATING COSTS IMPLICATIONS

Attach Form A-49 if any additional operating costs or savings will result from this request. This includes costs to be absorbed with current funding.

7. ESTIMATED PROJECT SCHEDULE AND EXPENDITURES

Estimated Start Date: August 2016 Estimated Completion Date: January 2020
 Estimated Expenditures: Thru Current FY: \$90,000.00 After Current FY: \$0.00

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT #	
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- | | | | | |
|---------------------|---------------------------------------|------------------------|--------------|-------------------|
| 1. _____ | Land Purchase ----> | Land: | _____ | Acres |
| 2. _____ | Building Purchase ----> | Floor Space: | _____ | Gross Square Feet |
| 3. <u>90,000.00</u> | Professional Services Fees | | | |
| 4. _____ | Equipment and/or Materials ----> | Information Technology | _____ | |
| 5. _____ | Site Development | | | |
| 6. _____ | New Construction ----> | Floor Space: | <u>5,000</u> | Gross Square Feet |
| 7. _____ | Renovations - Building Interior ----> | Floor Space: | <u>6,549</u> | Gross Square Feet |
| 8. _____ | Renovations - Utilities | | | |
| 9. _____ | Roofing - _____ Roof Age | | | |
| 10. _____ | Renovations - Building Exterior | | | |
| 11. _____ | Other Permanent Improvements | | | |
| 12. _____ | Landscaping | | | |
| 13. _____ | Builders Risk Insurance | | | |
| 14. _____ | Other Capital Outlay | | | |
| 15. _____ | Labor Costs | | | |
| 16. _____ | Bond Issue Costs | | | |
| 17. _____ | Other: _____ | | | |
| 18. _____ | Contingency | | | |


\$90,000.00 TOTAL PROJECT BUDGET

ENVIRONMENTAL HAZARDS	
Identify all types of significant environmental hazards (including asbestos, PCB's, etc.) present in the project and the financial impact they will have on the project. Type: _____	
<u>Cost Breakdown</u>	
Design Services	\$ _____
Monitoring	\$ _____
Abate/Remed	\$ _____
Total Costs	<u>\$ 0.00</u>

9. PROPOSED SOURCE OF FUNDING

Source	Previously Approved Amount	Increase/Decrease	Original/Revised Budget	Transfer to/from Proj. #	Rev Object Code	Treasurer's ID Number	Rev Sub Fund	Exp Sub Fund
(0) CIB, Group			0.00 0.00		8115		3043	3043
(1) Dept. CIB, Group			0.00 0.00		8115		3143	3143
(2) Institution Bonds			0.00 0.00					3235
(3) Revenue Bonds			0.00 0.00					3393
(4) Excess Debt Service			0.00 0.00					3497
(5) Capital Reserve Fund FY16/17		90,000.00	0.00 90,000.00		8895		3603	3603
(6) Appropriated State			0.00 0.00		8895	68800100	1001	3600
(7) Federal			0.00 0.00			78800100		5787
(8) Athletic			0.00 0.00			88800100		3807
(9) Other (Specify)			0.00 0.00 0.00			98800100		3907
TOTAL BUDGET	\$0.00	\$90,000.00	\$90,000.00					

10. SUBMITTED BY:



 Signature of Authorized Official and Title

Craig E. Hess, Director of Operations

August 1, 2016

Date

11. APPROVED BY:

(For Department Use Only)

 Authorized Signature and Title

Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H59 Name Midlands Technical College

2. PROJECT
Project # _____ Name Midlands – Industrial Technology Expansion and Welding Lab Upgrade

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2019-2020	\$	\$	\$29,150	\$29,150
2) 2020-21	\$	\$	\$30,080	\$30,080
3) 2021-22	\$	\$	\$30,900	\$30,900

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
Local County funds.


6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

Costs will be paid by Local County Funds within the Operations budget.

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT for 5,000SF in 2020</u>
1. <u>Utilities</u>	<u>\$13,000</u>
2. <u>Maintenance</u>	<u>\$8,400</u>
3. <u>Custodial</u>	<u>\$7,000</u>
4. <u>Insurance: Bldgs & Contents</u>	<u>\$750</u>
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$29,150</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. na

9. Submitted By:  Director of Operations August 1, 2016
Signature of Authorized Official and Title Date

**PERMANENT IMPROVEMENT PROJECT INFORMATION FORMAT
FOR PHASE I A&E PRE-DESIGN PROJECTS**

1. What is the internal projected cost of the project?
\$4,500,000
2. What is/are the source(s) of funds to be used for A&E pre-design?
State funds
3. What is your agency/institution's definition of the source(s) of funds used for the A&E pre-design?
(Please be specific for each source and if there is a statutory authority authorizing the use of the funds for capital projects for the source, please cite the code section. If a source includes any type of fee, what is the fee called, what is the fee amount and when was it put in place?)
State funds are defined as those funds the Legislature appropriated in 2016 for this specific project. (Bill H.5002, item 26)
4. What is the current fund balance of uncommitted funds in the source of funds for A&E pre-design?
\$90,000
5. What is the source(s) of funds to be used for construction?
State Appropriation: \$3,410,000 and County funds: \$1,000,000
6. What is your agency/institution's definition of the source(s) of funds to be used for construction?
(Please be specific for each if different from those in 3 above. If there is statutory authority authorizing the use of the funds for capital project, please cite the code section and if a source includes a fee, what is the fee called, what is the fee amount and when was it put in place?)
State appropriation are defined as those funds appropriated by the Legislature in 2016 for this particular project. (Bill H.5002, item 26). County funds are defined as those funds the college receives from the county for the operation of the college's physical plant.
7. What is the current fund balance of uncommitted funds in each source to be used for construction?
State funds: \$3,410,000 and County funds: \$1,000,000
8. Will the use of any funds for A&E pre-design or for construction require an increase in any student fee or tuition?
No, college funds are not used.
9. If the use of any funds for A&E pre-design or construction will require any student fee or tuition increase, please explain and include the amount of the fees annually or by semester, what the fee is called and when it was put in place.
No increased is required.
10. What is the total square footage of the building to be renovated or constructed?
Approximately 11,550 square feet.
11. If a portion of the building is to be renovated, what is the square footage of the portion that will be included in the renovation?
Approximately 6,550 square feet.
12. What program(s) will use the space to be renovated/constructed?
Welding programs, both Credit and Corporate and Continuing Education.
13. What is the current age of the building to be renovated?
48 years old.

14. What is the current age of the building system(s) to be renovated or replaced?
 HVAC/plumbing is 14 years old. Other systems to be renovated are original.
15. If any new space is being added to the facility, please provide demand/usage data to support the need.
 Additional space is required in the Industrial Building to house the combined Academic and Continuing Education Welding programs at MTC. The existing facilities are inadequate to serve the needs of current students, adjunct instructors and faculty.
 In addition, to a crowded learning environment, some classes are conducted in an outdoor area subjecting students to inclement weather conditions, congested working areas, commercial delivery area and waste pickup traffic.
 Industry demand for trained and qualified welders is increasing as a result of improving economic conditions at a time when the workforce is diminishing due to aging and retirement of existing welders. Wages are increasing in our service area and the welding programs are experiencing a corresponding increase in enrollment numbers for both welding programs. The additional space will facilitate expansion of the program and additional course offerings such as advanced pipe welding, fabrication, automated and robotic welding.
 See attached 2016 Occupational Overview for welding and a photo of the congested work area.
16. If the A&E pre-design request is above 1.5% of the internal estimated cost of the project, what is the reason the amount exceeds 1.5%?
 An additional \$22,500 (0.5%) for initial A&E Services covers programming expenses which are exclusive of Basic A&E Services and the LEED 30 year Life Cycle Cost Analysis that is required during Phase I design.
17. What are the estimated numbers of students, faculty, staff and/or clients that are expected to use the space affected by the project or for the entire building? (Answer for as many as are applicable.)
 Renovations and additions to the Industrial Building allow an expanded capacity of 30% over existing number of welding booth spaces with a corresponding increase in number of students taught per year.
 Annually, the renovated facility may serve 260 students, and employ 3 full time faculty, 2 full time adjunct instructors, 4 part time adjunct instructors/lab assistants, and multiple part time work-study students.
18. Has the project been included in a previous year's CPIP? If so, what was the last year the project was included and for which year, 1-5?
 Yes, 2016-17 CPIP year 2.
19. What are the economic impacts of the project, including job creation and retention? If there are none, please explain.
 Economic benefits will come to local industry by being better served with a more qualified and skilled workforce. Additional development may result and in turn generate even more job growth. With a greater number of welding stations and each station having better quality, more students can be served and receive broader training. These students will benefit with skills demanding higher income potential.
20. How will your agency/institution address and fund maintenance of this facility construction/renovation?
 The additional operating costs associated with the additional 5,000 square feet will be absorbed within the college's operational budget for physical plant.
21. If your agency/institution has a deferred maintenance account, what is the name of the account and what is its current uncommitted balance?
 The name of the account is Plant Maintenance. Zero dollars is the uncommitted balance.

22. If how maintenance will be addressed and funded for this facility construction/renovation has not been determined yet, what steps are in place to begin to address how your agency/institution will fund maintenance to this and other agency/institution facilities?
n/a