

COVER PAGE
Auraria Higher Education Center

FY 2016-17 CAPITAL CONSTRUCTION REQUEST (LISTED IN OSPB PRIORITY ORDER)

NOT RECOMMENDED FOR FUNDING BY OSPB:

- King Center Renovation and Addition (*new request*)

TOTAL: FY 2016-17 CAPITAL CONSTRUCTION STATE-FUNDED REQUEST AMOUNT = \$41,370,990

FY 2016-17 CONTROLLED MAINTENANCE REQUESTS (4)

NOT RECOMMENDED FOR FUNDING BY OSPB:

LEVEL I:

- Replace/Upgrade Fire Alarm Systems, Multiple Buildings, Ph 1 of 3 (\$578,643)
- Tenth Street Pedestrian Corridor ADA Improvements, Ph 3 of 3 (\$588,988)

LEVEL II:

- Arts 191 Telecom EPO Replacement, Ph 1 of 2 (\$262,445)

LEVEL III:

- Replace/Repair North Chiller Plant Chilled Water Lines, Ph 1 of 1 (\$349,452)

HISTORY OF STATE FUNDING

- **\$32.6 million** has been appropriated on behalf of capital projects at AHEC since FY 2011-12. This represents **3.7 percent** of total amount appropriated on behalf of all capital construction and controlled maintenance projects during this period.
- **\$0.4 million** was appropriated in **FY 2015-16**.

INVENTORY OF GENERAL FUND SUPPORTED FACILITIES

- The General Fund supported inventory of AHEC facilities totals **2,304,152 GSF**. This total represents **5.0 percent** of the entire General Fund supported inventory of state buildings.

RECENT CDC VISITS

- Campus tour (May 2013)

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PROGRAM PLAN STATUS

2016-098

Approved Program Plan? Yes No

Date Approved:

PRIORITY NUMBERS

Prioritized By	Priority	
Dept/Inst	1 of 1	
CCHE	17 of 31	
OSPB	29 of 46	Not recommended for funding.

PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$0	\$41,370,990	\$0	\$0	\$41,370,990
CF	\$0	\$420,000	\$0	\$0	\$420,000
Total	\$0	\$41,790,990	\$0	\$0	\$41,790,990

ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$4,870,000	\$0	\$0	\$4,870,000
Construction	\$0	\$32,930,000	\$0	\$0	\$32,930,000
Equipment	\$0	\$625,000	\$0	\$0	\$625,000
Miscellaneous	\$0	\$525,990	\$0	\$0	\$525,990
Contingency	\$0	\$2,840,000	\$0	\$0	\$2,840,000
Software Acquisition	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$41,790,990	\$0	\$0	\$41,790,990

PROJECT STATUS

This is a new, never-before-requested project. It was previously listed on a five-year projection of need.

PROJECT DESCRIPTION / SCOPE OF WORK

The Auraria Higher Education Center (AHEC) is requesting a combination of state funds and cash funds spending authority to renovate 87,455-GSF of and add 27,525 GSF to the existing 192,684-GSF Kenneth King Academic and Performing Arts Center (King Center) on the Auraria Campus. The building is, and will continue to be, shared by the three Auraria campus institutions: the Community College of Denver (CCD), Metropolitan State University of Denver (MSUD), and the University of Colorado Denver (UCD). The project will expand and improve programmatic space, primarily for performing arts departments, including Music and Theater (for CCD and MSUD); Music and Entertainment Industry Studies (UCD); and Theater, Film, and Video Production (UCD). Specifically, the project will:

- relocate the non-performing arts programs that currently use the building to other campus facilities;
- consolidate performing arts space from other campus buildings in the King Center;
- improve program efficiency by unifying music and theater programs;

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- expand the King Center to include specialized instructional spaces, including rehearsal rooms, practice rooms, and recording studios; and
- augment building equipment to address operating deficiencies.

Design elements for the project include:

- updated security and acoustical controls;
- specialized exhaust, communication, lighting, mechanical, electrical, and plumbing systems;
- interior modifications, such as acoustical separation, open ceiling structures, system disturbance minimization, special doors and openings, resilient floors, and unique finishes;
- new lobbies at the east and west ends of the building;
- 5 theater rehearsal/class studios;
- 5 large music ensemble rehearsal studios;
- 65 individual music practice rooms;
- new instructional technical labs (including scenery design, lighting design, sound recording, and costume design);
- 2 scenery shops;
- 2 costume shops; and
- a suite of recording studios.

Cost assumption. The cost assumption was determined through the program planning process. The cost per GSF is \$363. The project cost accounts for future inflation. The project meets the Art in Public Places and High Performance Certification Program requirements.

PROJECT JUSTIFICATION

According to AHEC, a 2013 space utilization study identified a 187,000-GSF space deficit for the performing arts departments. There are currently waiting lists for courses, and students are being turned away from these programs. Due to continued program growth and aging facilities, the need for new space has become a major priority for AHEC. All of the performing arts venues and rehearsal spaces are occupied an average of 62 to 90 hours per week. The Colorado Commission for Higher Education (CCHE) standard is 40 hours per week. The scheduled use of the Music and Theater Departments rehearsal and performance spaces are double to triple the CCHE recommendation.

From 2002 to 2012, the music programs experienced 45 percent growth and the theater programs experienced 274 percent growth, according to AHEC. Occupations in performing arts, film and media, and publishing disciplines represent the fifth-largest occupational group in Colorado. AHEC says that many of these occupations are projected to grow at a faster rate than population growth in the next 25 years. According to an economic impact survey by the Colorado Business Committee for the Arts, the Denver metro region includes 10,205 jobs in nonprofit creative-sector enterprises, generating a \$520.8 million economic impact.

While the Facility Condition Index (FCI) of the building is 0.93 and the motivation for the renovation is generally programmatic, AHEC says the King Center is also in need of deferred maintenance, including:

- repairing/replacing the building finishes and envelope;
- repairing interior water leaks;
- repairing leaking rooftop mechanical units;
- addressing plumbing and fire sprinkler system leaks;
- addressing an aging roof;
- repairing the cracking and settling of structural elements;
- improving stair and balcony railings to meet code requirements; and
- updating bathrooms to meet code and accessibility standards.

The most significant health/life-safety projects in the building, according to AHEC, are to replace the fire alarm system, provide appropriate building communication systems, recommission the HVAC system to meet fresh air requirements, address acoustical design and energy efficiency, add an accessibility ramp to the south side of the building, and add eye wash stations in the paint and scenery shops.

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Project alternatives. In addition to the renovation and expansion of the King Center, AHEC considered other alternatives, including a full replacement of the King Center, construction of a new separate wing for the King Center, modification of existing performance venues, and deferring the project expansion. After exploring the feasible project alternatives, AHEC identified the King Center Renovation and Addition as the preferred option for meeting the performing arts space needs of the Auraria Campus. It was also determined to be the most cost effective option, with the other alternatives estimated to cost between \$65 and \$85 million.

PROGRAM INFORMATION

AHEC is comprised of three separate higher education institutions, enrolling almost 42,000 students in fall 2014. CCD, MSUD, and UCD share classroom space, parking, and general services on the campus. AHEC manages campus facilities and non-academic functions, including the library, the child care center, classroom and event scheduling, and campus police and security. Located in Denver's city center, the Auraria Campus occupies 150 acres within close proximity to Denver's theater and convention district. The King Center completed construction in 2000 and houses performing arts programs and some non-performing arts space for all three institutions.

PROJECT SCHEDULE

	Start Date	Completion Date
Design	July 2016	December 2017
Construction	July 2017	June 2019
Equipment		July 2019
Occupancy		July 2019

HIGH PERFORMANCE CERTIFICATION PROGRAM

AHEC is dedicating \$165,000 of the project's total construction cost of \$32,930,000, or 0.5 percent, to meeting the requirements of LEED certification. The university plans to build the facility to the LEED gold standard, the second highest of four possible certification levels.

SOURCE OF CASH FUNDS

The source of the cash funds is from the annual deferred maintenance budget from the constituent institutions. The three institutions will allocate a portion of their deferred maintenance budgets to AHEC for the cash contribution according to the campus space allocation breakdown. Of the total \$420,000 cash contribution, 15 percent (\$63,000) will come from CCD, 50 percent (\$210,000) from MSUD, and 35 percent (\$147,000) from UCD.

OPERATING BUDGET

Operating expenses are paid from institutional sources. Despite an increase in building area, the university does not anticipate an increase in operating costs. It expects potential savings due to reduced building maintenance demands.

STAFF QUESTIONS AND ISSUES

1. The narrative states that the King Center roof has approximately 25 percent of its life remaining. Has AHEC submitted, or considered submitting, the roof replacement project, or any other maintenance projects at the King Center, to the Office of the State Architect for controlled maintenance funding? If not, why not?

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Unfortunately, due to state controlled maintenance funding limitations and more pressing needs to be addressed, the King Center roof has not made the five-year controlled maintenance (CM) plan sent to the OSA for funding consideration. Replacing the King Center fire alarm system is a high priority and is on the five-year CM plan as a FY 2017-18 budget request.

2. The life-cycle cost analysis indicates that leasing off-campus space may be required if the project is not completed. Do any departments currently lease off-campus space for performing arts programs? Has AHEC considered partnering with any other performing arts venues in downtown Denver? How does the cost of leasing off-campus space compare to the cost of renovating the King Center?

Yes, the performing arts departments have leased off-campus space and partnered with other performing arts facilities/organizations. As to the relative costs, even when "partnering" the cost overhead of any nearby facility, including contracted union labor rates, makes the difference so profound that it really is only an option as a final resort. For Music, the cost of doing a "partnered" event at the Denver Center for Performing Arts is staggering compared to producing it internally. Since the Denver Center eliminated their educational arm, theater has had no opportunity to partner for the use of that space as they had in the past. In addition, the performing arts departments do not pursue off campus space for these programs because they need to be in close proximity to the campus and existing arts spaces. Splitting the programs between two locations is not feasible, nor would it be feasible to move an entire program off campus.

3. The narrative states that the operating budget is not expected to be significantly impacted by the project. With an increase of 27,525-GSF to the building, an increase in operations and maintenance costs could be expected. Does AHEC anticipate energy savings and other efficiencies to offset this increase? If so, please provide justification.

A detailed comparative energy model and analysis for the building was not conducted as part of the program planning effort. Factors influencing the potential energy savings include:

- 1. The program plan proposes to re-commission the building systems.*
- 2. The new portions of the building will include more efficient systems.*
- 3. The program plan seeks to replace a large area of south-facing, low-performance glazing with a more energy efficient building mass to shade that area.*
- 4. In general, the project will have to demonstrate a minimum savings (versus baseline) of 5 percent for a major renovation, according to the USGBC for the project to receive a LEED Gold rating.*
- 5. The utility costs for the King Center during the last fiscal year was \$430,446. A 5 percent savings represents \$21,522. Last year our O&M costs for the King Center were \$1.65 per square foot. So the additional 27,525 square feet could mean an additional \$45,416 in costs, except for the fact that nearly 70 percent of the hours spent in operating and maintaining the King Center dealt with corrective maintenance matters, i.e., fixing things that had failed, stopped functioning, or not functioning as needed. By addressing a significant portion of the systems with this capital renewal request, we feel a 50 percent reduction in the 700 hours doing correctives is possible and this would result in a potential \$35,000 annual savings as well. The combined savings in O&M and utility costs will be close to \$56,500 per year, and that is why we believe the operating budget will not be significantly impacted with this building expansion.*

**Auraria Higher Education Center
Five-Year Projection of Need
FY 2016-17 through FY 20120-21**

Project Title	Fund Source	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Totals
<i>Current Year Request(s)</i>							
King Center Renovation and Addition	CCF	41,370,990	0	0	0	0	\$41,370,990
	CF	420,000	0	0	0	0	\$420,000
<i>Out Year Request(s)</i>							
Visual Arts Building Renovation	CCF	0	22,690,000	0	0	0	\$22,690,000
	CF	0	0	0	0	0	\$0
<i>Total: State Funds</i>		<i>41,370,990</i>	<i>22,690,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$64,060,990</i>
Grand Total		\$41,790,990	\$22,690,000	\$0	\$0	\$0	\$64,480,990