

Fiscal Year 2020-21 Capital Construction Request

Auraria Higher Education Center

Critical Campus-Wide HVAC Infrastructure Replacement (Capital Renewal)

PROGRAM PLAN STATUS

2020-055

Approved Program Plan?

Date Approved:

PRIORITY NUMBERS

| Prioritized By | Priority | |
|----------------|----------|------------------------------|
| DeptInst | 1 of 1 | |
| CCHE | 14 of 39 | |
| OSPB | 40 of 47 | Not recommended for funding. |

PRIOR APPROPRIATION AND REQUEST INFORMATION

| Fund Source | Prior Approp. | FY 2020-21 | FY 2021-22 | Future Requests | Total Cost |
|--------------|---------------|---------------------|------------|-----------------|---------------------|
| CCF | \$0 | \$19,383,905 | \$0 | \$0 | \$19,383,905 |
| CF | \$0 | \$200,000 | \$0 | \$0 | \$200,000 |
| Total | \$0 | \$19,583,905 | \$0 | \$0 | \$19,583,905 |

ITEMIZED COST INFORMATION

| Cost Item | Prior Approp. | FY 2020-21 | FY 2021-22 | Future Requests | Total Cost |
|-----------------------|---------------|---------------------|------------|-----------------|---------------------|
| Land Acquisition | \$0 | \$0 | \$0 | \$0 | \$0 |
| Professional Services | \$0 | \$4,323,445 | \$0 | \$0 | \$4,323,445 |
| Construction | \$0 | \$14,434,424 | \$0 | \$0 | \$14,434,424 |
| Equipment | \$0 | \$0 | \$0 | \$0 | \$0 |
| Miscellaneous | \$0 | \$826,036 | \$0 | \$0 | \$826,036 |
| Contingency | \$0 | \$0 | \$0 | \$0 | \$0 |
| Software Acquisition | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$0 | \$19,583,905 | \$0 | \$0 | \$19,583,905 |

PROJECT STATUS

This is a new, never-before-requested project.

PROJECT DESCRIPTION / SCOPE OF WORK

The Auraria Higher Education Center (AHEC) is requesting a combination of state funds and cash funds spending authority for a capital renewal project to replace the HVAC systems and associated infrastructure that serve over 1.25 million square feet of space in nine campus buildings. The capital renewal approach focuses on upgrading building systems, infrastructure, and the basic building components within existing academic buildings on a building-by-building basis, rather than project by project. The systems to be replaced under the project are over 40 years old with failing parts that are difficult to acquire or unavailable, resulting in uncomfortable environmental conditions and in some cases unusable buildings.

The nine buildings affected by the project are shared by AHEC's three constituent institutions, and have facilities condition index (FCI) ratings ranging from 22.0 to 67.1. FCI is a measure of the cost of remedying building deficiencies compared to a building's current replacement value, and the State Architect's target FCI for all buildings is 85. The scope of the project, which varies by building, includes updating various controls and replacing:

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- mechanical systems;
- air-handling units;
- chilled water and hot water pumps;
- rooftop units;
- the boiler in the Bear Creek Building;
- the chillers in the North Chiller Plant, which serves three buildings; and
- associated infrastructure such as exhaust fans and variable air valves.

AHEC explains that the project is the second of four planned capital renewal projects to revitalize shared campus spaces, including a project to replace heating and hot water infrastructure that was funded for FY 2019-20. AHEC says that its constituent institutions have pledged future energy savings and cost avoidance to an internal maintenance fund for shared facilities, including about \$200,000 annually from this project.

Cost assumption. The cost assumption is based on current construction rates seen in similar projects. As a capital renewal request, the project is not required to comply with the requirements of the Art in Public Places or High Performance Certification programs.

PROJECT JUSTIFICATION

According to AHEC, most of the buildings on campus were built at the same time and date to the mid-1970s. As a result, basic systems are beyond their useful life. The campus says the HVAC systems to be replaced under the project are essentially obsolete, featuring failing parts that are difficult or impossible to acquire and requiring custom maintenance and repairs. These conditions result in an increase in out-of-service time, uncomfortable environmental conditions, and in some cases loss of use of a building. Additionally, many of the buildings within the scope of the project do not meet current code for airflow and building-wide air exchange rates, which creates air quality issues and potential health risks. The campus says loss of the use of multiple buildings would be catastrophic to daily operations, resulting in course cancellations, research disruption, faculty and staff job impacts, and the need to seek emergency repair funding.

Project alternatives. AHEC says performing the HVAC replacements in the nine buildings could be accomplished through a series of controlled maintenance projects, but doing so would delay the replacements and put the campus at increased risk of losing the use of one or more buildings. If the campus were to self-fund the project through contributions by the constituent institutions to its deferred maintenance fund, which is set to reach \$3.0 million per year in 2021, it would take several years to fund the project while other emerging maintenance needs went unattended.

PROGRAM INFORMATION

AHEC is comprised of three separate higher education institutions, with a combined student population of nearly 42,000. The Community College of Denver, Metropolitan State University of Denver, and the University of Colorado Denver share classroom space, parking, and general services on the campus. AHEC manages campus facilities and non-academic functions, including utilities, the library, the child care center, classroom and event scheduling, and campus police and security. The AHEC campus occupies 150 acres in downtown Denver, and opened in 1976.

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PROJECT SCHEDULE

| | Start Date | Completion Date |
|--------------|------------|-----------------|
| Design | May 2020 | June 2021 |
| Construction | June 2021 | April 2023 |
| Equipment | | |
| Occupancy | | |

SOURCE OF CASH FUNDS

The source of cash funds for the project is contributions from the three constituent institutions that occupy the AHEC campus. The campus notes that none of the cash funding derives from student fees.

OPERATING BUDGET

Operating costs are paid from institutional sources. AHEC expects energy costs to decrease by about \$200,000 per year as a result of the project.

STAFF QUESTIONS AND ISSUES

None.