

COMMISSION FOR HIGHER EDUCATION

Friday, November 9, 2012

DESCISION ITEM B-2: International Studies Building - Indiana University Bloomington Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee the following project: *International Studies Building – Indiana University - Bloomington*. Staff recommendations are noted in the staff analysis

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million five hundred thousand dollars (\$1,500,000). A project that has been approved or authorized by the General Assembly is subject to review by the Commission for Higher Education. The Commission for Higher Education shall review a project approved or authorized by the General Assembly for which a state appropriation will be used. All other non-state funded projects must be reviewed within ninety (90) days after the project is submitted to the Commission.

The Trustees of Indiana University requests authority to construct the International Studies Building at the Bloomington Campus of Indiana University. The project will provide a single location of various international centers, institutes, and study programs currently located throughout the Bloomington campus. The facility is roughly 188,000 gross square feet and will free up current space for renovation and repurposing. The project would be funded through borrowing, athletic television revenues and proceeds from the sale of land, totaling \$53 million.

Supporting Document

International Studies Building - Indiana University Bloomington Campus, November 9, 2012

INTERNATIONAL STUDIES BUILDING INDIANA UNIVERSITY BLOOMINGTON CAMPUS

DESCRIPTION OF THE PROJECT

The proposed International Studies Building (ISB) will house approximately 10 academic departments and 19 research centers or programs focused on the study of global cultural processes and foreign languages. These units will be drawn from the College of Arts and Sciences and the School of Education. In addition, the ISB will become home to the dean of the School of Global and International Studies along with his staff.

Relationship to Other Capital Improvement Projects: No other projects are dependent upon the completion of this project.

Historical Significance: This project has no impact on any facility that is over 50 years old.

Alternatives Considered: Due to lack of appropriate academic and research space on campus and the specific needs of this project, the university has determined that new construction is the only feasible alternative.

Relationship to Long-Term Capital Plan for Indiana University: This project has been on the university's ten-year plan since 2002.

IMPACT ON EDUCATIONAL ATTAINMENT OF STUDENTS

The ISB will embody Herman B Wells' prescient vision that "the campus of Indiana University is not just in Bloomington, or even the state of Indiana; it encompasses the four corners of the globe." The ISB will literally bring "the world" to Bloomington by offering state-of-the-art classrooms, offices, and gathering places for the study of foreign languages and humanistic inquiries into global cultures. IU offers instruction in more foreign languages than at any other university, and its longstanding regional/area studies programs are world-renowned. At present, these international-focused academic programs are scattered throughout the Bloomington campus. For the first time, all of this global research and teaching will be housed in a single building, offering exciting possibilities for new collaborations and cross-national projects. The ISB will give these programs the modern and appropriate space they deserve.

NEED AND PURPOSE OF THE PROJECT

The ISB will embody Herman B Wells' prescient vision that "the campus of Indiana University is not just in Bloomington, or even the state of Indiana; it encompasses the four corners of the globe." The ISB will literally bring "the world" to Bloomington by offering state-of-the-art classrooms, offices, and gathering places for the study of foreign languages and humanistic inquiries into global cultures. IU offers instruction in more foreign languages than at any other university, and its longstanding regional/area studies programs are world-renowned. At present, these international-focused academic programs are scattered throughout the Bloomington campus. For the first time, all of this global research and teaching will be housed in a single building, offering exciting possibilities for new collaborations and cross-national projects. The ISB will give these programs the modern and appropriate space they deserve. In addition, and in accordance with the University Master Plan, this new facility will also make possible the renovation of several older buildings to be returned to much improved academic use.

SPACE UTILIZATION

The ISB will be approximately 188,000 gross square feet, possibly distributed over 4 levels with the upper floors of the building consisting mainly of faculty offices and other spaces serving academic departments, programs, centers and institutes - conference room, reception/secretary rooms, visitors waiting room, copier/workroom, storage/supplies room, graduate student lounge, specialized research libraries/labs and space for computer workstations. The lower floors, including the entry level, will house classrooms, a large student/public gathering space (serving as a reception hall, and including a cafe or other suitable food service), kitchenette/catering set-up, building-wide mailroom, and media services room. The campus' need for more office and classroom space is acute, and perhaps has reached a critical point. The new ISB will not only offer more usable square feet, but fresh spaces that are better designed for research and teaching in the 21st century.

COMPARABLE PROJECTS

- 1) IUB Jacobs School of Music Studio Building at \$345/gsf (although there are special requirements for acoustical treatments in much of that building)
- 2) IUB Honors College at \$272/gsf
- 3) IUB Cyber infrastructure Building at \$303/gsf
- 4) IUN Tamarack Hall replacement project is projected to cost approximately \$255/gsf

STAFF ANALYSIS

The International Studies Building (ISB) project proposed by Indiana University would provide a new single location for foreign languages and foreign studies currently spread throughout the Bloomington campus. The ISB, while creating new space on campus, will open up current space in facilities and buildings located throughout campus for renovation and repurposing.

Foreign languages and foreign studies programs are spread throughout the Bloomington campus, most located within Wells Quad and Ballantine Hall, with some locations in houses located throughout campus. The ISB will allow for all of the foreign languages and studies programs to be housed in one location and will open space in Wells Quad and Ballantine Hall for renovation and repurposing. IU plans to convert the Wells Quad buildings back to on-campus housing, possibly as an Honors College residence hall. Parts of Ballantine Hall would be vacated, renovated and reopened to provide additional academic and academic support space on campus. These changes will allow IU to consolidate several academic programs into one location while updating and renovating current space for future use and extending the life of several buildings on campus.

IU Bloomington may realize some level of operational efficiency over time by consolidating the foreign languages and foreign studies programs into one specific building. In addition, by re-tasking Wells Quad to a residence hall facility there will be a reduction on the operational costs to the academic and administrative side of the Bloomington campus. While the building will increase the operational costs to the IU Bloomington campus by \$1.1 million per year, IU Bloomington estimates that through operational efficiencies and repurposing of buildings, these operational increase can be covered. Regarding deferred maintenance of buildings on-campus, by renovating Wells Quad and parts of Ballantine Hall, IU Bloomington will lower its deferred maintenance on campus.

The proposed ISB will cost approximately \$53 million and will provide approximately 188,000 gross square feet of new space. The estimated cost per square foot is \$282 and is comparable to previously reviewed new construction projects submitted by IU. Of the overall gross square footage, approximately one-third of the building will focus on classrooms or learning/study areas for students. The remaining portion of the building will be for office space, support space and general use.

Funding for the new ISB will come from three main sources, Big Ten television network revenues (\$26 million), indirect cost recovery revenues (\$17 million) and revenue from sale of land proceeds (\$10 million). Of the \$53 million, \$43 million will be financed through the issuance of revenue bonds and certificates of participation (COPS). No state funds are being requested to construct the ISB. IU Bloomington will use funds from Residential Programs and Services to finance the renovation of Wells Quad and may request state funds in the future to renovate Ballantine Hall.

Based on the analysis conducted by staff, staff recommends the Commission provide a favorable review of the capital project.

CAPITAL PROJECT SUMMARY AND DESCRIPTION

For: **International Studies Building**

<u>Institution:</u> <input style="width: 80%;" type="text" value="Indiana University"/>	<u>Budget Agency Project No.:</u> <input style="width: 80%;" type="text" value="A-1-08-1-22"/>
<u>Campus:</u> <input style="width: 80%;" type="text" value="Bloomington"/>	<u>Institutional Priority:</u> <input style="width: 80%;" type="text"/>
<u>Previously Approved by General Assembly:</u> <input style="width: 80%;" type="text" value="No"/>	<u>Previously Recommended by CHE:</u> <input style="width: 80%;" type="text" value="No"/>
<u>Part of the Long-Term Capital Plan:</u> <input style="width: 80%;" type="text" value="Yes"/>	

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Project Summary Description

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Summary of the Impact on the Educational Attainment of Students at the Institution

The ISB will embody Herman B Wells' prescient vision that "the campus of Indiana Univeristy is not just in Bloomington, or even the state of Indiana; it encompasses the four corners of the globe." The ISB will literally bring "the world" to Bloomington by offering state-of-the-art classrooms, offices, and gathering places for the study of foreign languages and humanistic inquiries into global cultures. IU offers instruction in more foreign languages than at any other university, and its longstanding regional/area studies programs are world-renowned. At present, these international-focused academic programs are scattered throughout the Bloomington campus. For the first time, all of this global research and teaching will be housed in a single building, offering exciting possibilities for new collaborations and cross-national projects. The ISB will give these programs the modern and appropriate space they deserve.

<u>Project Size:</u> <input style="width: 80%;" type="text" value="188,000"/> GSF	<input style="width: 80%;" type="text" value="116,600"/> ASF	<input style="width: 80%;" type="text" value="62%"/> ASF/GSF
<u>Net Change in Overall Campus Space:</u>	<input style="width: 80%;" type="text" value="188,000"/> GSF	<input style="width: 80%;" type="text" value="116,600"/> ASF

<u>Total Project Cost:</u> <input style="width: 80%;" type="text" value="\$53,000,000"/>	<u>Cost per ASF/GSF:</u> <input style="width: 80%;" type="text" value="\$282"/> GSF <input style="width: 80%;" type="text" value="\$455"/> ASF								
<u>Funding Sources(s):</u>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"><input style="width: 80%;" type="text" value="\$33,000,000"/></td> <td>Certificates of Participation {IC21-33-3-5} *</td> </tr> <tr> <td><input style="width: 80%;" type="text" value="\$10,000,000"/></td> <td>Auxiliary Revenue Bonds {IC21-35-3}, Repaid by Athletic Television Rights Income</td> </tr> <tr> <td><input style="width: 80%;" type="text" value="\$10,000,000"/></td> <td>Proceeds of the Sale of University-owned Properties</td> </tr> <tr> <td><input style="width: 80%;" type="text"/></td> <td></td> </tr> </table>	<input style="width: 80%;" type="text" value="\$33,000,000"/>	Certificates of Participation {IC21-33-3-5} *	<input style="width: 80%;" type="text" value="\$10,000,000"/>	Auxiliary Revenue Bonds {IC21-35-3}, Repaid by Athletic Television Rights Income	<input style="width: 80%;" type="text" value="\$10,000,000"/>	Proceeds of the Sale of University-owned Properties	<input style="width: 80%;" type="text"/>	
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<input style="width: 80%;" type="text" value="\$10,000,000"/>	Proceeds of the Sale of University-owned Properties								
<input style="width: 80%;" type="text"/>									
<u>Estimated Annual Debt Payment:</u> <input style="width: 80%;" type="text" value="\$3,673,210"/>									
<u>Are All Funds for the Project Secured?</u> <input style="width: 80%;" type="text" value="Yes"/>									
<u>Estimated Annual Change Cost of Building Operations Based on the Project:</u>	<input style="width: 80%;" type="text" value="\$1,086,640"/>								
<u>Estimated Annual Repair and Rehabilitation Investment:</u>	<input style="width: 80%;" type="text" value="\$795,000"/>								

* Certificates of Participation in a Lease/Purchaes Agreement with the IU Building Corporation, Repaid by Indirect Cost Recovery Funds from Research.