

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

June 12, 2024

TOPIC: Arapahoe Community College (ACC) Spending Authority Request for the Church Avenue Building Third Floor Renovation

PRESENTED BY: Dr. Stephanie Fujii, President

RELATIONSHIP TO THE STRATEGIC PLAN:

Goal 1: Student and CCCS workforce experience.
Goal 3: Focusing on accessibility, affordability, equity, student completion, accountability, resource development and operational excellence.

EXPLANATION: ACC is seeking spending authority approval for \$2,000,000 to renovate the third floor of the Church Avenue Building at its Littleton campus. The renovation will include converting four classrooms into office and workstation spaces, one classroom into a conference room, and adding a unisex restroom, breakroom, and upgrading space for code compliance. ACC anticipates occupying this renovated space by the fall of 2025.

ACC is experiencing a shortage of space for administrative staff. It has experienced an annual average increase of 4.5 percent in enrollment since 2016 and there has been an associated annual increase of staffing of 1.2 percent. In addition, ACC seeks to end its lease of office space in a building adjacent to its Littleton campus. The Church Avenue building renovation is expected to result in the addition of workstations and office space for approximately 25 individuals.

The College plans to engage architectural/engineering services and then to use plans produced to engage a construction manager/general contractor. The project budget includes design, code review & inspection, construction, testing services, furniture, technology, security systems, and contingency.

Project Budget:

Professional Services	\$167,116	Architectural services, plan review & inspections, testing
Construction	\$1,479,066	Includes estimating contingency, escalation (1-year), and general conditions and OHP
FF&E	\$192,600	Office, workstation, conference room, and general furniture plus technology for conference room
Contingency	\$161,218	10% on design and construction
TOTAL	\$2,000,000	5,127 GSF

In June of 2022, ACC entered a lease of an office building directly adjacent to campus that currently offices most of the staff that is planned to move to the completed renovated spaces. Those not moved to the third floor will be relocated to other campus areas. The current lease expires on October 31, 2024, and ACC will renew this lease for a one-year extension. The current annual lease in is \$118,806. At the end of this lease, ACC will experience savings from the elimination of this cost.

ACC owns and operates the Church Avenue building and does not anticipate any increase in operational costs with the change of use of the third floor. The building's first floor is occupied by human resources and institutional research. The second floor is occupied by fiscal services. The occupants of the renovated third floor are currently expected to include marketing, the ACC Foundation, instructional operations, facility rental, and a subset of fiscal services. After this renovation, the entire building will be used as office space. The programs currently using the third-floor classrooms can be accommodated in other campus classrooms.

College reserves will pay for the renovation. At the end of FY 2022-23, college primary reserves were \$18.1 million, or 22 percent of operating expenses. With this project and the FY 2024-25 budget, the projected FY 2024-25 ending primary reserve will be \$22.6 million, or 23 percent of operating expenses.

Primary Reserves	FY 2022-23	FY 2023-24	FY 2024-25
Ending Balance (\$s in millions)	\$18.1	\$19.2	\$22.6
Percent of Operating Expenses	22%	21%	23%

RECOMMENDATION:

Staff recommends that the Board approve \$2.0 million in spending authority for ACC to renovate the third floor of its Church Avenue building. Staff also recommends the Board delegate signature authority to the Vice Chancellor for Finance and Administration regarding all project contract and related documentation on the condition that all State and System processes are followed.