STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

March 8, 2023

TOPIC: Community College of Aurora (CCA) Spending Authority Request for an Addition to the Diesel and Construction Building on the CentreTech Campus

PRESENTED BY: Dr. Mordecai Brownlee, President

RELATIONSHIP TO THE STRATEGIC PLAN:

- Commitment to academic excellence
- Commitment to community leadership and service
- Commitment to institutional growth and excellence
- Transform the student experience (CCCS)
- Create education without barriers through transformative partnerships (CCCS)
- Redefine our value proposition (CCCS)

EXPLANATION:

In 2017-2018, CCA requested a capital project to build a Diesel Mechanics and Support Services Building. The original gross square footage of 22,250 was estimated to cost a total of $9,395,879. The project was slated for approval by the General Assembly in 2020, but due to the pandemic all capital projects were not approved. The project was resubmitted for the Fiscal Year 2020-21 and approved.

In Spring of 2022, the Community College of Aurora (CCA) received approval from the State Board of Community Colleges and Occupational Education (SBCCOE) and the General Assembly to increase the spending authority of the capital construction project to $13,995,465 to address the new partnership for Construction Management with BuildStrong Academy of Colorado. As a result of these conversations, the vision for the new building was modified to include additional technical certificate and degree programs as well as interdisciplinary, experiential workshop space for engineering and other STEM fields; and the administrative office space for facilities and IT was removed. It was critical to CCA that the development of our first building in 23 years showcased a full commitment to the fulfillment of our students' instructional space needs, and not administrative office space. It is important to note that with the addition of the college's BuildStrong partnership this Diesel and Construction building remains within the original square footage (22,250 gross square feet or 17,800 assignable square feet). Financing for this project is a combination of State Capital Construction funding, Arapahoe County ARPA funds, CCA reserves, and capital campaign funds raised.

The inclusion of our BuildStrong partnership provided another remarkable opportunity to strengthen our K-12 pipeline and increase enrollments with direct ties to industry employment by establishing a Pathways in Technology Early College High Schools (PTECH) program in partnership with Aurora Public Schools (APS). Signed into law

(HB15-1270) by Governor Hickenlooper, a PTECH is intended to create a public-private partnership to prepare Colorado students for high-skill jobs of the future. With the partnership of BuildStrong (a construction management-based organization) and CCA with its construction management program, APS would serve as the final partner necessary to achieve the establishment of a Construction Management PTECH. APS and CCA are nearing finalization for the official submittal and approval for this historic PTECH partnership – the first in the City of Aurora. This facility is currently in the sitework phase, working with the City of Aurora for utilities and permitting, and will start construction in March, with occupancy by Fall 2024.

Request for STEM Classroom Addition to the Diesel and Construction Building

During the 2014-2015 school year, the Community College of Aurora made the decision to move its Math and Science courses off the CentreTech Campus and house these courses exclusively at the Lowry Campus. In combination with the reduction in RTD bus lines in the Aurora community, CCA students for years now have dealt with the reality of having to travel in-between two (2) separate campuses to receive a comprehensive education. Currently, students without their own transportation must take a 35-minute bus ride between campuses and walk an additional 15-minutes from Chambers Rd. to East CentreTech due to the bus line no longer providing service in front of the CentreTech campus. The Community College of Aurora wishes to remove this burden from students, improve equitable education access, and promote a quality comprehensive higher education. To remedy this unfortunate reality, CCA would like to move Math and Science courses back to its CentreTech Campus.

While the future of the Lowry property is yet to be determined, CCA believes it to be in the best interest of its students to promote equity, affordability, workforce development, and a quality education to request the Board to approve a building addition to the previously approved Capital Construction Project. This addition would allow CCA to house its Math and Science courses at the CentreTech Campus and allow the College to expand out the PTECH partnership with APS even further with the relocation of 15 classrooms (14 Classrooms for STEM) to one location. Leaving two specialized buildings at 77,182 GSF at Lowry for the Film School, Nursing, Police and Fire Academy, EMT, and Law Enforcement programs.

With an institutional vision to “be a college where every student can succeed” the approval of a building addition would enable CCA to do the following:

- Become a more equitable institution by providing equitable student access.
- Remove dual location hardship for general education courses.
- Allow for even more enrollment growth through Concurrent Enrollment with the expansion of PTECH program expansion beyond Construction Management.
- Increase full time equivalent (FTE) totals by improving student persistence and retention. Thus, improving program completion.
- Based on pre-pandemic enrollment trajectory, work to improve student headcount totals by 3%.

- Relocate Math and Science courses from Lowry to CentreTech. Staff, staff support, and equipment would be relocated from the Lowry campus to CentreTech, providing operational efficiency and student benefit not currently realized with having these course offerings on the Lowry campus. The academic and academic support space needs are 24,340 Assignable Square Feet (ASF) for:
    - Microbiology / Anatomy 4,530 ASF
    - Chemistry 3,310 ASF
    - Physics / Engineering 2,220 ASF
    - Innovation Lab 1,940 ASF
    - Mathematics / CDT 1,700 ASF
    - Heritage Hall (Assembly) 4,050 ASF
    - Faculty Offices 2,300 ASF
    - Shared Program 4,290 ASF

A Facility Program Plan and bubble diagram for the addition is included for your reference in the Board's materials.

Breakdown of Building Addition Cost Estimates and Composition

The Grand Maximum Price of the building addition is projected at $20,998,115 based on 24,340 of Assignable Square Feet for a total add of 29,208 Gross Square Feet of new construction. The total project cost would produce a fully furnished and finished building, that would incorporate STEM, flexible shared spaces, and Academic Support to the existing Diesel Power Mechanics and Construction Management project already underway. The proposed budget of the addition includes fully equipping and furnishing the building.

Description	STEM Addition Budget Request
Funding	$20,998,115
Gross Sq. Ft.	29,208
Total Cost per Sq. Ft	$718.92

Save Money by Building an Addition At Same Time

CCA is committed to finishing the Diesel and Construction building, with an estimated completion date of Fall 2024, within the project's $13,995,465 appropriation. CCA continues to work closely with its Diesel and BuildStrong cohorts with anticipation of starting these programs in the new building during the Fall 2024 term. If the approval of this request is granted, and the timeline for financing allows, the addition could be constructed simultaneously with the Diesel and Construction building. Designing and constructing the entire building on separate timelines will increase the cost and complicate the operations of this project by requiring ordering building materials in a

staggered manner, such as steel and concrete. CCA could mitigate or eliminate incurring these additional costs if this addition is constructed simultaneously and tracked as separate projects. If this were able to be accomplished, we estimate saving at least $999,910 over the project costs outlined above

These following additional costs would not be incurred if contractors could procure all materials and build everything at the same time:

- Demolition of some temporary items in the Diesel and BuildStrong building items (Mechanical units, Lighting, ceilings/walls for Mechanical, Electrical, Plumbing coordination and exterior work),
- Design and engineering fees,
- General conditions,
- Escalation of material and labor,
- Increased time for construction administration,
- Landscaping,
- Schedule impacts,
- Site access,
- Temporary construction materials and setups,
- Concrete footings,
- Structural steel packages,
- Carpentry,
- Roofing,
- Siding,
- Air barriers,
- Doors, storefront windows,
- Framing and drywall,
- Fire suppression,
- Mechanical, electrical, and
- Remobilization for both General Contractor and Sub-Contractors

Beyond the additional costs and systems, there are multiple operational and aesthetic aspects affected by constructing two buildings:

- Occupancy or access of Diesel Power Mechanics and BuildStrong could be affected during the construction of the addition
- Additional design fees if two buildings were constructed, or addition completed at a later time (two mechanical systems, structural adjustments, permitting, etc.)
- CCA will be paying separate water and sewer tap fees if two buildings were constructed

CCA has worked with the Design/Build team on phasing alternatives, including building a separate building or expanding the new building's square footage and shelling the project until an addition could be funded. Due to the fiscal impact of waiting and the ongoing lease payments at the Lowry Campus, this pair of options was not viewed as a viable solution to the challenges facing CCA students nor does it align with our new

approach to strategic enrollment management. Delaying or splitting this project will have continued operations inefficiencies, increasing operational and utility costs for the aging Lowry buildings. Examples are:

- Construction inflation is 8-9% per year, which is not expected to change any time soon.
- Re-mobilizing the General Contractor and sub-contractors adds cost each time they have to reengage in the project
- General Contractor losing buying power found in economies of scale with an entire building project, and not only pieces of the project.
- Costs become unknown if the timeline is unknown.
- CCA students would continue to experience transportation issues between CentreTech and Lowry campuses. For example, if a student has classes on both CentreTech and Lowry Campuses, that student would need to find transportation between sites as RTD no longer serves the CentreTech bus stop outside of the Administration Building. Travel by bus requires bus transfer and upwards of an hour of bus commute plus a 15 to 20-minute walk with buses only running every 30 minutes.

Estimated timeline of this project is as follows.

- Detailed Programming - 2 weeks = [7/3/23 - 7/14/23]
- Design and Documentation - 22 weeks = [7/17/23 - 12/22/23]
- Permitting - 10 weeks = [12/26/23 - 3/8/24]
- Construction - 73 weeks = [3/11/24 - 8/8/25]
- Commissioning and Move-In - 7 weeks = [8/11/2025 - 10/3/2025]

Project Funding

The addition to the current Diesel and Construction building estimates a cash need of $20,998,115, that is planned to be funded through a combination of a capital campaign and cash funding through either bond/bank financing for the remainder.

The table below is a breakdown of the comparison from current approved spending authority and the estimated cost of the addition:

Funding Source	STEM Addition Request
Fundraising	$4,000,000
Bond/Bank Financing	$16,998,115
Total	$20,998,115

CCA estimates financing between $16 million and $18 million dollars, for a term of 15 years amortized over 30 years, with a need to refinance between years 10 and 15. Preliminary calculations place the payments from this level of financing at between $1.0 to $1.3 million annually. Please note that CCA would come back to the Board for separate financing approval at a future board meeting. And, if CCA is not able to

fundraise the full $4 million dollars for this addition through its capital campaign, CCA is planning to utilize a portion of its $17 million dollars in reserves to fill any gaps.

CCA would cover the cost of financing by reallocating funding currently spent on lease costs of three (3) buildings on the Lowry Campus that CCA would vacate, from an expiring energy performance contract, and lease payments from BuildStrong and APS.

Funding Source	Amount
Lease Costs from Lowry Campus	$895,292
Energy Performance Contract	$209,179
Lease Payments from BuildStrong & APS	$106,160
Total Amount Available to Cover Financing	**$1,210,631**

The total square footage of the three (3) buildings is 109,010, at an annual cost to lease and operate of $895,292 per year. The operations and maintenance expenses of the addition is already planned to be absorbed by the annual budget process. By vacating the three Lowry buildings, no additional maintenance nor custodial employees would be added.

Another source of funding for debt service would be from resources currently going towards an existing Energy Performance Contract loan that will be paid off in 2028, which are approximately $200,000 a year, and lease payments received from BuildStrong and APS for their space in the building, totaling approximately $106,160 a year. Total amount of funding that would be available from these resources is $1.2 million dollars.

In Summary

CCA deeply believes the combination of the Diesel and Construction building and the requested addition will: transform our student experience; deepen our trust and relationships with the workforce community; aid in the advancement of workforce development and job placements in our region; remove barriers for our students; increase operational efficiencies; promote equity through access (in centralizing location); and ensure a relevant learning experience for our students that promotes equitable student success. Under the consultancy of strategic enrollment management firm, Becerra Partners, LLC, the location centralization of general education courses is expected to improve student full time equivalency (FTE) by improving student completion and persistence by more than 5% and student headcount by 3%.
The College is requesting approval for a cash funded building addition project with spending authority not to exceed $20,998,115 to construct an addition to the new Diesel and Construction building. The College is also requesting approval to explore debt financing through a Request for Proposal process to finance the building addition. If this request is approved, CCA would seek Executive Branch and Legislative approvals. If those approvals are granted, CCA will submit a separate request to this Board to formally request securing the debt financing.

RECOMMENDATION:
Staff recommends the Board approve the building addition project to include Math and Science classrooms and supporting spaces with a cash spending authority of $20,998,115, as outlined above. With this approval, CCA will move forward seeking executive and legislative branch approvals and formally explore financing options. CCA will come back to the Board to seek formal financing approval at a future meeting.

ADDITIONAL ITEMS IN ONBOARD RESOURCES SECTION:
CCA_Bubble Diagrams
Facilities Program Plan – CCA STEM Project