

November 20-21, 2008

ITEM: 141-1501-R1108 Authorization to Request the Montana Legislature to Re-appropriate the Balance from the Petroleum Engineering/MBMG Building to Upgrade Existing Campus Buildings; Montana Tech of The University of Montana

THAT:

The 59th Legislature appropriated \$9 million with a total authority of \$14.4 million for the construction of the Petroleum Engineering/MBMG Building. The 60th Legislature appropriated \$5.2 million which increased the total authority to \$19.6 million. The total funding of the Petroleum Engineering/MBMG Building is shown below:

- \$9 million from the 59th Legislature, HB 540 bonds
- \$5.2 million from the 60th Legislature HB 4 Special Session, cash
- \$1.2 million from campus resources
- \$2 million from Private fundraising
- \$17.4 million Total

The current estimate for completing the Petroleum Engineering/MBMG building in November 2009 is \$15.4 million which will leave a balance of approximately \$2 million.

This request is that Montana Tech of The University of Montana be authorized to request the 61st Montana Legislature to re-appropriate the balance remaining upon completion of the Petroleum Engineering/MBMG Building to upgrading existing campus buildings including the Health Sciences Building (former Petroleum Engineering Building) and to approve expenditures up to the \$19.6 million authority that was previously authorized.

EXPLANATION:

One campus project that is partially funded is renovation of the mechanical system of the Mining and Geology Building. This project was funded by the 59th Legislature at \$915,400. When the work was being planned asbestos was discovered in the ceiling tiles. This substantially increased the cost of the project and requires temporarily relocating the personnel from this building. Architecture and Engineering has identified this project as one of the projects that should be completed with the re-appropriated funds.

When Petroleum Engineering vacates its current building, the facility that was completed in 1953 will be renovated to house the Nursing Program and our Outreach Programs, which currently occupy part of the building. The 59th and 60th Montana Legislatures were informed that the Petroleum Engineering Building would be renovated and renamed the Health Sciences Building and would be used for

Nursing and Outreach. With Board of Regents approval, using campus maintenance funds, the windows were replaced, exterior facings on the concrete were replaced and the bricks were tuck pointed in 2005.

Architecture and Engineering has determined that the building is sound and that it can and should be renovated for the purposes indicated. Renovation could, if necessary, occur in stages as funding becomes available. The estimated costs of the project are listed below. The estimates include architectural fees and contingencies for each stage.

It is recognized that the available spending authority remaining after completion of the Petroleum Engineering/MBMG Building is estimated to be \$4.2 million and the available funding is estimated to be \$2 million while the total cost of the renovation is estimated to be \$6 million. Therefore the renovation will be done in stages as funding becomes available. Any work in excess of either Legislative re-appropriation or in excess of the \$4.2 million spending authority will be brought to the Board of Regents for consideration.