CAPITAL PLANNING ADVISORY BOARD 2020-2026 Agency Capital Plan

Staff Analysis and Comments

INSTITUTION:

Northern Kentucky University

OVERVIEW

Northern Kentucky University (NKU), the newest of the commonwealth's senior institutions, is located seven miles from downtown Cincinnati. Founded in 1968, the university moved to the Highland Heights campus in 1972. NKU has a singular mission within the commonwealth as a metropolitan and regional institution. Over the past decade, overall student enrollment has remained relatively consistent, yet the number of degrees conferred over that time has increased approximately 11 percent. In fall 2018, NKU had 14,795 students.

NKU acts as a regional partner, focusing its programs on industry sectors with the greatest need for college graduates. The new Success By Design 2019-2022 strategic framework clarifies the university's vision: "NKU will be nationally recognized for being a student-ready, regionally-engaged university that empowers diverse learners for economic and social mobility."

NKU is focused on student success, offering bachelor, graduate, and Juris Doctorate degrees, doctorates of education and nursing practice, and one associate degree program. These degrees are offered through the colleges of Law, Arts and Sciences, Business, Education and Human Services, Health Professions, and Informatics, and enhanced learning opportunities are available through the newly formed Honors College. Creative instructional methods, use of technology, and small class sizes characterize the NKU learning environment. All classrooms are "smart" and support effective teaching and learning.

Enrollment in distance education programs grew at a much higher rate with the addition of our accelerated online programs in spring 2018. In one year, from fall 2017 to fall 2018, the accelerated online degrees drove a 34 percent increase in online credit hours and a 50 percent increase in graduate enrollment. The following programs are now available online: 19 bachelor's degrees, 12 master's degrees, one doctorate, one post-baccalaureate certificate, and two postmasters' endorsements/certificates. NKU offers classes at the Grant County Center to extend learning opportunities to the surrounding community. NKU also delivers cohort group programs at local healthcare providers and works with 29 high schools to provide dual enrollment opportunities.

Funding by Source	<u>2020-2022</u>	<u>2022-2024</u>	<u>2024-2026</u>	<u>Total</u>
General Fund	\$307,050,000	\$121,400,000	\$57,400,000	\$485,850,000
Restricted Funds	7,000,000	0	0	7,000,000
Agency Bonds	89,500,000	0	0	89,500,000
Other Cash	30,200,000	10,000,000	8,000,000	48,200,000
Other LTF	<u>16,000,000</u>	<u>6,000,000</u>	0	<u>22,000,000</u>
Total	\$449,750,000	\$137,400,000	\$65,400,000	\$652,550,000
Number of Projects by Type				
Construction - Other	5	2	1	8
Construction - PIP	11	3	3	17
IT	<u>5</u>	<u>0</u>	<u>0</u>	<u>5</u>
Total	21	5	4	30

PROPOSED PROJECTS – Financial Summary

LTF - Long Term Funding

PIP - Protect Investment in Plant

*Postsecondary institutions were required to submit equipment and IT projects only for the first biennium.

Major Changes in Buildings and Land

The 2014 General Assembly provided funding for the Renovate Old Science/Construct Health Innovation project, a project which was completed in June 2018. The Health Innovation Center is a 110,152-square-foot addition to the 109,671-square-foot Old Science building, which has been fully renovated. Old Science has a new name, "Founders Hall."

<u>P3 - Town/Gown Project - Land Leases</u>

The 2016 General Assembly authorized the Construct Mixed-Use Facility with Student Housing project with a scope of \$125 million in Other/Cash funds. An RFP was issued in March 2016, and a preferred development team was selected in September 2016. The successful respondent was a team of two developers (one for the mixed-use development and one for student housing). The Board of Regents approved the administration's recommendation to cease negotiations with the student housing developer in May 2017. Refer to "Construct/Acquire New Resident Hall 2016-2018 Reauthorization" in this plan for more information.

Negotiations with the mixed-use developer continue. The project will be accomplished in at least two phases. A ground lease with St. Elizabeth Healthcare was signed in September of 2018. Construction began in October 2018 on a 67,500-gross-square-foot, three-level medical office building and a two-level parking garage on the Phase 1 site, a 3.765-acre parcel located at the northwest corner of the Nunn Drive/US 27 intersection at the entry to the campus.

Planning for the Phase 2 site, which is about a seven-acre site on the southwest corner of the Nunn/US 27 intersection, continues. Phase 2 is anticipated to include: 35-40,000 square feet of ground-level retail, a 110-room hotel, 30-50,000 square feet of office space, and 75 market rate residential units.

Ohio-Kentucky-Indiana Council of Governments (OKI) has approved an \$861,704 STP/SNK Transit infrastructure support grant for the project. Funds were allocated through two federal programs, the Surface Transportation Block Grant program, and the Transportation Alternatives program, and will be spent on road, transit, and pathway improvements benefitting the project. The developer will match the grant funds with \$369,302 in project funds. Ground lease negotiations continue. The local tax increment financing (TIF) application has been approved. The State TIF application/award is due in June 2019. The ground lease will be signed after receipt of the state TIF award.

2020-2026 CAPITAL PLAN PLAN OVERVIEW FORM SYP-P1

Branch: Cabinet/Function: Agency Institution: Executive Branch Cabinet for Postsecondary Education Northern Kentucky University

Resulting from a campus-wide consultative process, Northern Kentucky University's new strategic framework plan, Success by Design, places a singular focus on advancing student success aligned with the needs of the Northern Kentucky region. Regions that thrive in today's economy are anchored by high-performing universities that nurture talent in their classrooms and laboratories and then prepare students to apply that knowledge to advance regional economic and social progress. NKU is focused on access, completion, and career and community engagement for all students.

In addition, preparation of this plan was informed by the university's 2009 Master Plan Update (NKU will initiate a master plan update in fall 2019); the VFA Facility Condition and Space Adequacy Study; and, the Council on Postsecondary Education's strategic goals. The VFA report states, "The condition of facilities (at) NKU is generally consistent with the age and construction methods of the facilities...many major system renewals (are) due...and as would be expected, many systems are at the end (or beyond the end) of their expected useful life." The report also states, "The project team recommends CPE and NKU address all three needs (condition, adequacy, and capacity) with blended investments to address them simultaneously...."

With the opening of the Health Innovation Center in 2018, NKU is positioned to leverage critical degree programs to advance opportunities for degree completion in the important STEM+ Health fields. The UK College of Medicine-Northern Kentucky Campus at NKU will further enhance the appeal of undergraduate STEM at NKU. Between 2009 and 2018, majors in engineering technology and the basic sciences increased 35 percent and in the College of Health Professions, majors increased 47 percent. NKU's science center is unable to accommodate the teaching and research lab space needed to support continued growth in STEM+ Health fields of study. Thus, NKU's top priority project is the expansion of the Herrmann Science Center, a project of about 115,000 gross square feet.

Other priorities include capital renewal upgrades to Fine Arts (#2) and Nunn Hall (#4), including repair of structural floor heaving, HVAC system replacement, and other infrastructure and system upgrades, as well as various interior and architectural renovations. The third priority project is the renovation of the Business Academic Center to create a student-focused space designed to enhance learning and engagement. Other project priorities address various critical maintenance and facilities renewal.

Agency bond authorization is requested for several key projects in 2020-2022, including the "Acquire/Construct Residence Hall 2018-2020 Additional Reauthorization" and reauthorizations of "Reconstruct West Side Parking" and "Acquire Land/Master Plan."

As we look ahead to 2020-2022, priorities in this plan illustrate the institution's multi-faceted commitment to our region; to our students, who demand academic excellence; and, to our community, which expects well-educated graduates able to contribute to the economic and social progress of the region. We imagine a better world and work to make it a reality. To do so requires physical resources currently lacking at the university. During the 2020-2022 biennium, NKU must gain approval for the critical projects in this plan.

NORTHERN KENTUCKY UNIVERSITY

Proposed Projects Involving the General Fund (cash or bonds)

(amounts in **bold** are the total budget)

2020-2022

(Projects listed by agency priority; descriptions are from the agency submission)

1. Expand Herrmann Science Center

This project envisions construction of additional teaching and research labs in biology, chemistry, biochemistry, physics, geology, and engineering technology in a 115,000-square-foot addition to the 175,131-square-foot Herrmann Science Center. The project may be an addition or it could be a freestanding building adjacent to the existing building. (C-O)

CPAB Staff Notes

- This project was the university's #1 priority in its last two capital plans. Since 2017, the project scope has increased slightly from \$92,000,000 to \$94,500,000.
- The project is authorized in the current budget (\$92,000,000 RF), however, the funding is not available to undertake it.
- The university's engineering technology program has grown tremendously. From 2009 to 2018, the program experienced a 248 percent increase in credit hours, and majors increased from 140 to 310, a 121 percent increase.

2. Renew/Renovate Fine Arts Center Phase 2

This project includes renovations to the Fine Arts Center, a 159,000-square-foot academic building, and includes capital renewal of HVAC and electrical systems, elevators, fire alarm, building finishes, etc. The project scope also includes funds to address heaving of a 15,000-square-foot area of slab-on-grade on Corbett Theater stage and adjacent classroom areas. (C-PI)

CPAB Staff Notes

- The project budget includes \$5 million private funds and \$45,000,000 GF.
- Phase 1 of the Renew/Renovate Fine Arts Building project involved an expenditure of about \$1.1 million RF to address the floor heaving problem on the stage of Greaves Concert Hall (located in the Fine Arts Building) and the adjacent restrooms and corridor. Work was completed in summer 2012.

3. Renovate/Expand Business Academic Building

This project involves the renovation of the 110,693-square-foot Business Academic Center, including capital renewal of building systems and repair of structural floor heaving in a 4,000-square-foot area of the first floor. The project scope includes a 20,000-square-foot building expansion. (C-PI) <u>CPAB Staff Notes</u>

 The project is critical to the resolution of the university's instructional space shortage. The CPE's Space Model, updated using 2018 institutional factors, indicates NKU has a 23 percent shortage in classroom space and a 28 percent shortage in lab space. Additional space in these two space categories is essential.

4. Renew/Renovate Nunn Hall

Nunn Hall is in need of critical capital renewal of building systems, including reconstruction of deteriorated and leaking sanitary sewer infrastructure, HVAC replacement, elimination of below-grade groundwater infiltration, and replacement of heaved slab-on-grade in a 15,000-square-foot area. Nunn Hall houses the Chase College of Law. This project also provides funding for the repurposing of the first floor former Chase Library to a new use. (C-PI)

CPAB Staff Notes

- The project was included in the university's last capital plan (priority #6, \$7 million). The project scope has increased significantly due to the need for more extensive renovation and renewal of the building.

5. Replace Underground Utility Infrastructure

This project includes replacement of underground water, sanitary sewer, and gas mains. About 3,000 linear feet of undersized water mains require replacement to increase water pressure and fire-fighting capability. About 1,700 linear feet of sewer mains will be upsized to create needed capacity. Finally, about 2,000 linear feet of steel gas mains need to be replaced with plastic piping to eliminate risk of leaks. (C-PI)

\$94,500,000

\$50,000,000

\$41,000,000

\$30,000,000

\$6,700,000

6. Renew/Renovate Steely Library

This project will renew HVAC, electrical, and other building systems and infrastructure in the 141,000square-foot Steely Library and provide funding to create a Learning Commons environment. This project also includes funds to address the heaving of the slab-on-grade on the first floor. (C-PI) **CPAB** Staff Notes

This project was included in the university's last capital plan. The project scope has increased from \$37 to \$41 million.

7. Renew E&G Building Systems Projects Pool

This project includes various improvements, upgrades and capital renewal investments to building systems and associated infrastructure in the university's educational and general buildings. Buildings in which work could be accomplished include: Albright Health Center, Business Academic Center, Campbell Hall, Ceramics and Sculpture Building, Fine Arts Center, Herrmann Science Center, Honors House, Lucas Administrative Center, Landrum Hall, Nunn Hall, Maintenance Building, Mathematics-Education-Psychology Center, Old Power Plant, Regents Hall, Steely Library, University Center, and the Welcome Center. (C-PI)

8. Enhance/Upgrade Cybersecurity System

This project will enhance the university's cybersecurity systems to help prevent, detect, and quickly resolve cyber-attacks and IT threats. (IT)

9. Upgrade Administration Systems

NKU's administrative system's core software and hardware will be upgraded to the newest business technology to improve overall performance, accessibility, ease of system use, and to update business processes. A secure cloud storage environment will be investigated for this upgrade. (IT)

CPAB Staff Notes

NEW project – has not been listed in a previous capital plan.

10. Renovate Campbell Hall

This project provides for renovation and modernization to enable continued use. Building systems are in need of significant renewal. Parts of the building are unusable until renovations are accomplished. (C-PI) CPAB Staff Notes

NEW project – has not been listed in a previous capital plan.

11. Upgrade Instructional Technology

This project includes numerous hardware and software technology upgrades designed to improve the delivery of instruction campuswide. (IT)

12. Next Generation Digital Campus

This project will expand, enhance/replace the campus network backbone infrastructure, including cabling and operating hardware. This system is 9-24 years old and its 10 GB operating speed will not support current needs. The new backbone is planned to support 100 GB of data. (IT)

13. Scientific/Technology Equipment Pool

This equipment pool includes scientific/technology equipment to support instruction and research in the basic sciences. (IT)

<u>2022-2024</u>	
Construct Chiller Plant	\$19,400,000
Renew Administrative Center	45,000,000
Renew University Center Phase 3	14,000,000
Renew/Renovate Landrum Hall	43,000,000
2024-2026	
Renew Old Power Plant	\$6,400,000
Renew/Renovate MEP Center	43,000,000
Renew/Renovate Regents Hall	8,000,000

\$41,000,000

\$20.000.000

\$1,950,000

\$3,900,000

\$4,700,000

\$18,000,000

\$3,300,000

\$6.000.000

NORTHERN KENTUCKY UNIVERSITY

Proposed Projects Involving Agency Bonds

(amounts in **bold** are the total budget)

2020-2022

(Projects listed by agency priority; descriptions are from the agency submission)

1. Construct/Acquire New Residential Hall 2016-2018 Reauthorization

Quality, on-campus housing enriches the collegiate experience, positively impacting student retention and graduation rates. In order to improve and enhance the residential experience of students, the project scope includes evaluation of existing housing to determine the most cost-effective solution, which may include selected demolition and/or renovation of existing facilities; acquisition; renovation/restoration of existing facilities; and, the ability to construct two new residence halls of about 80,000 square feet and a capacity of 300 beds each. (C-O)

2. Reconstruct West Side Parking Reauthorization

The gravel parking area between Kenton Drive and the new Connector Road will be reconstructed. With completion of the new Connector Road a year ago, parking demand in this area has increased. As a new entry to campus, upgrading this area is necessary. Surface parking lot expansion may also occur in other areas of campus. Project financing pursuant to KRS 45.763 is requested; NKU may opt to spend cash instead of financing. (C-O)

3. Acquire Land/Master Plan 2010-2012 Reauthorization

This project will allow the university to take advantage of real property acquisition opportunities during the 2020-2022 biennium to support educational programs and campus development. Land acquisition is critical to future development of the university; the 2009 Master Plan recommends the purchase of 290 acres. This project includes acquisition of a campus ministry building located in the center of campus. (C-O)

\$65,000,000

\$25,500,000

\$14,000,000

NORTHERN KENTUCKY UNIVERSITY Proposed Projects NOT Involving the General Fund

The projects listed below are funded with a source other than state general funds. Funding sources include private funding (OT-P), restricted funds (RF), or long-term financing (OT-LTF).

<u>2020-2022</u>

Guaranteed Energy Savings Performance Contracts Renovate Brown Building Reauth Renovate/Expand Baseball Field Add'l Reauthorization Renovate/Expand Civic Center Building Replace Event Center Technology \$1,000,000 OT-LTF 4,500,000 RF/OT-P 6,700,000 OT-P 8,000,000 OT-P 4,000,000 OT-LTF

<u>2022-2024</u>

Construct Basketball Practice Facility

16,000,000 OT-P/OT-LTF

<u>2024-2026</u>

Enhance Softball and Tennis Complex

8,000,000 OT-P

NORTHERN KENTUCKY UNIVERSITY Quarterly Status Report - Current Capital Projects

Project Title	Authorization	Status	Percentage Complete
Construct Mixed-Use Facility with Student Housing (Sub-project: Phase 1 North Side)	2016-2018	In Construction	10
Construct Mixed-Use Facility with Student Housing (Sub-project: Phase 2 South Side)	2016-2018	Planning	
Construct Satellite Parking Lot	2016-2018	Complete/Closed Out	100
Construct/Acquire New Residence Hall 2016-2018 (Sub-project: Commonwealth Hall Renovation)	2016-2018	In Construction	5
Construct/Acquire New Residence Hall 2016-2018 (Sub-project: Construct New Residence Hall)	2016-2018	Design/Phase A	
Construct/Acquire New Residence Hall 2016-2018 (Sub-project: Kentucky Hall Renovation)	2016-2018	Complete/In Warranty	100
Construct/Acquire New Residence Hall 2016-2018 (Sub-project: Woodcrest Apartments Stair Replacement)	2016-2018	Design/Phase A	
Renew Kenton Garage	2018-2020	Bidding	
Renew Nunn Hall	2018-2020	Planning	
Renovate Albright Health Center Phase 2	2018-2020	Complete/In Warranty	95
Renovate Campbell Hall	2018-2020	Planning	
Renovate Old Science/Construct Health Innovation	2014-2016	Complete/In Warranty	100
Renovate/Replace/Expand Civic Center Building	2018-2020	Planning	
Replace Soccer Stadium Turf	2018-2020	Complete/In Warranty	95