

**CAPITAL PLANNING ADVISORY BOARD
2022-2028
Agency Capital Plan**

Staff Analysis and Comments

INSTITUTION:

Northern Kentucky University

OVERVIEW

Northern Kentucky University, newest of the commonwealth's senior institutions, was founded in 1968 and is located 7 miles from downtown Cincinnati in Highland Heights. NKU has a singular mission within the commonwealth as a metropolitan and regional institution. Enrollment remained relatively consistent through the 2010's, while degrees conferred over that time increased about 11 percent. However, 2019 and 2020 marked accelerated growth, particularly graduate and online students. In fall 2020, NKU enrolled 16,212 students, 11,672 undergraduate and 4,147 graduate. NKU projects this growth and shift toward graduate and accelerated online students will continue in 2022-24.

NKU acts as a regional partner, focusing its programs on industry sectors with the greatest need for college graduates. NKU is focused on producing a return on investment for the region and state. Success By Design 2019-2022 strategic framework clarifies NKU'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. These degrees are offered through colleges of Law, Arts & Sciences, Business, Education, Health & Human Services, Informatics, and enhanced learning opportunities through the new Honors College. Creative instructional methods, use of technology and small class sizes characterize NKU's learning environment. All classrooms are "smart" and support effective teaching and learning.

Distance education enrollment grew at a much higher rate with the launch of NKU's accelerated online programs in spring 2018. From fall 2017 to fall 2020, accelerated online degrees drove an almost 300 percent increase in online majors and a 182 percent increase in graduate enrollment. These degrees are now available online: 13 bachelor's, 11 master's, one doctorate, and four post-graduate certificates, many offering multiple tracks/options. Classes offered at Grant County Center extend learning options to the community. NKU delivers cohort programs at local healthcare providers and coordinates dual enrollment courses at 36 high schools. In 2020, NKU began Young Scholars Academy, a partnership with Kenton County Schools, allowing 100 motivated high school upperclassmen to earn 60 hours of college credit at NKU during their final two years of high school.

Disposal of Land/Facilities

Covington Campus, Covington, Kentucky - This 23.81-acre site was advertised for sale in December 2018. To maximize value, this site was marketed as one offering with the adjacent NKU Foundation-owned 16-acre parcel. Together, these parcels were the site of the community college building that pre-dated the creation of Northern Kentucky University. Buildings on this site were demolished in 2011. Negotiations resulted in the sale of the parcels in June 2020. NKU sold its approximately 23-acre parcel to the NKU Foundation on June 26, 2020, for \$2,967,548. The NKU Foundation sold the two combined parcels, a total of approximately 40 acres, to Arlington Developers (aka "CIP18 API Tapestry on the Ridge") for \$4,040,000 on October 30, 2020. The university previously owned a public radio station, WNKU, with a tower and land holdings supporting the station and its signal in Middletown, Ohio. The majority of these holdings were sold in October 2016. The remaining one-acre parcel, containing a deteriorating residential structure, was sold in January 2021.

Major Changes in Buildings and Land

WOODCREST APARTMENTS - The university has made the decision to demolish Woodcrest Apartments, but the demolition has not yet been accomplished. The buildings have been vacant since February 1, 2020. Deterioration of building components and concern for student safety are the reasons for this decision. The cost of remediation and renovation to meet today's condition standards was not justified. Woodcrest

Apartments, occupied in 1982, total 81,712 GSF in three, three and a half-story buildings. The buildings are wood frame with exterior stairs and balconies. Demolition is expected to occur in summer 2021.

OPPORTUNITY HOUSE - The university is collaborating with Brighton Center, INC. and Brighton Properties, INC. of Newport, Kentucky on the concept of an "Opportunity House". Using the vacant 8,600 GSF "Brown Building" on NKU's campus, located adjacent to NKU's Callahan residence hall, Brighton Properties is proposing a residential living facility for youth aged 18-24 committed to attending college, who have aged-out of foster care. As envisioned, Opportunity House would house 18 students. Lease negotiations are underway and have been approved by the board of regents. Brighton Properties has submitted a \$1M community development block grant to fund needed renovations, and will pursue other grant and private fund raising to fund 100 percent of building renovations. Upon completion, Brighton Properties will assume all operational and maintenance expenses for the facility.

P3 - Town/Gown Project – Land Leases

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. The university has proceeded with construction of a new residence hall and has completed, or has underway, various residence hall renovations using agency bond authority.

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, 2018. Construction of a 67,500-gross-square-foot, three level medical office building and a two level parking garage on the Phase One site, a 3.765-acre parcel located at the northwest corner of the Nunn Drive/US 27 intersection at the entry to campus, was complete in April 2020.

Planning for the Phase Two site, which is about a 7-acre site on the southwest corner of the Nunn/US 27 intersection, continues. Phase Two is anticipated to include: 35-40,000 of ground level retail; a 110-room hotel; 30,000 square feet of office space; and 110 market rate residential units.

OKI (Ohio-Kentucky-Indiana Council of Governments) 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. Local and state TIF awards for this transformative town-gown have been approved. The Ground Lease for Phase II was signed in March 2021. Construction is expected to begin in late 2021 and occupancy is expected for spring 2023.

PROPOSED PROJECTS – Financial Summary

Funding by Source	<u>2022-2024</u>	<u>2024-2026</u>	<u>2026-2028</u>	<u>Total</u>
General Funds	\$217,250,000	\$84,500,000	\$124,000,000	\$425,750,000
Restricted Funds	4,000,000	0	0	4,000,000
Agency Bonds	39,029,000	0	0	39,029,000
Other Cash	35,700,000	27,900,000	0	63,600,000
Other LTF	<u>52,500,000</u>	<u>6,000,000</u>	<u>0</u>	<u>58,500,000</u>
Total	\$348,479,000	\$118,400,000	\$124,000,000	\$590,879,000

Number of Projects by Type	<u>2022-2024</u>	<u>2024-2026</u>	<u>2026-2028</u>	<u>Total</u>
Construction - Other	5	2	0	7
Construction - PIP	9	2	3	14
IT	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>
Total	16	4	3	23

LTF - Long Term Funding; PIP - Protect Investment in Plant
 Postsecondary institutions were required to submit equipment and IT projects only for the first biennium.

**2022-2028 CAPITAL PLAN
PLAN OVERVIEW
FORM SYP-P1**

Branch:
Cabinet/Function:
Agency Institution:

Executive Branch
Cabinet for Postsecondary Education
Northern Kentucky University

Northern Kentucky University's strategic framework plan, Success by Design, places a singular focus on advancing student success aligned with the needs of the northern Kentucky region. Similarly, the university's 2020 Campus Master Plan, with a foundational basis on Success by Design, is a bold and sustainable plan linking the past to the future.

NKU is focused on access, completion and career and community engagement for all students. Regions that thrive in today's economy are anchored by high-performing universities that nurture talent in their classrooms and laboratories, preparing students to apply that knowledge to advance regional economic and social progress.

NKU's 2020 Master Plan builds on 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..." This idea of blended investments, a sustainable approach to re-purposing NKU's original buildings for a 21st century active learning environment, is the foundation of NKU's 2020 Master Plan.

With the 2018 opening of the Health Innovation Center, NKU is positioned to advance opportunities for degree completion in important STEM + Health fields. Between 2009 and 2019, majors in engineering technology and the basic sciences increased 11 percent and in the College of Health & Human Services, majors increased 100 percent. NKU's science center is unable to accommodate teaching and research lab space needed to support continued STEM + Health growth. Thus, NKU's top priority project is the Herrmann Science Center expansion, a project of about 87,000 gross square feet.

The 2020 Campus Master Plan is based upon a detailed space needs assessment. Using a nationally benchmarked process, the master planners identified academic space needs totally 278,000 square feet for the Colleges of Arts and Sciences, Informatics, Business, and Health and Human Services. Projects outlined in the master plan reflect the findings of the space needs assessment and a commitment to stewardship of the physical campus while focusing on projects that add value through improving student engagement, advancing NKU's competitive advantage, supporting digital initiatives, and growing strategic partnerships. While the primary focus of the recommendations is on the renovation of existing space, the plan also includes strategic additions to existing buildings.

The master plan recommends a phased approach beginning with expansion of the Herrmann Science Center, followed by renovation/expansion of the Business Academic Center and then renovation/expansion of Nunn Hall. It recommends modernization of Steely Library to address critical capital renewal needs while creating a student-focused, "learning commons" environment to enhance learning and engagement. Finally, the master plan recommends capital renewal renovations in Fine Arts, Landrum, and the Mathematics-Education-Psychology Building. These projects are included in the capital plan, spread across the 2022-2028 timeframe. Other priorities included in the capital plan address various critical maintenance and facilities renewal projects.

Agency bond authorization is requested for several key projects in 2022-2024, including reauthorizations of "Renovate Residence Halls," "Reconstruct West Side Parking," and "Acquire Land/Master Plan." Priorities in the capital plan illustrate the university's multi-faceted commitment to the commonwealth; to our students, who demand academic excellence; and, to our community, which expects well-educated graduates prepared 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.

NORTHERN KENTUCKY UNIVERSITY
Proposed Projects Involving the General Fund (cash or bonds)
(amounts in **bold** are the total budget)

2022-2024

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

- 1 Expand Herrmann Science Center** **\$82,900,000**
This project envisions construction of teaching and research labs in biology, chemistry, biochemistry, physics, geology, and engineering technology in an 87,200-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
 - Funding sources included \$77,900,000 GF and \$5 million cash.
 - This project was the university's #1 priority in its last capital plan at a scope of \$94 million. As a result of the 2020 Master Plan process, the size of the addition has decreased (114,564 to 87,163 GSF), thereby resulting in a lower scope.
- 2 Renew/Renovate Fine Arts Center Phase 2** **\$50,000,000**
The project will renovate the Fine Arts Center, a 159,000-square-foot academic building, and includes capital renewal of HVAC and electrical systems, elevators, fire alarm, etc. The project will also address heaving of the slab-on-grade of the Corbett Theater stage and adjacent areas. (C-PI)
CPAB Staff Notes
 - The project budget includes \$5 million private funds (cash) and \$45 million GF.
 - Phase 1 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 Renew/Renovate Steely Library** **\$35,000,000**
This project will renew HVAC systems and infrastructure in the 141,000-square-foot Steely Library and provide funding to create a Learning Commons environment in the building. 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 has been included in past capital plans, and authorized with restricted funds in successive state budgets. However, the funding has not been available to undertake the project.
 - Since submission of NKU's last capital plan, the project scope has been reduced from \$41 million to \$35 million. NKU reports it now plans to relocate one or more academic support units to the library.
- 4 Renew E&G Building Systems Projects Pool** **\$20,000,000**
This project includes various improvements, upgrades and capital renewal investments to building systems and associated infrastructure in the university's educational and general buildings. (C-PI)
CPAB Staff Notes
 - Buildings in which work could be accomplished include: Albright Health Center, BB&T Arena, Business Academic Center, Campbell Hall, Ceramics & Sculpture Building, Civic Center, 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, Student Union, University Center, the Welcome Center.
 - Specific projects have not been determined, but may include HVAC system replacements, water and sewer line replacements, restroom renovations, electrical upgrades, roof replacements, architectural finish replacements (interior and exterior), life safety systems, structural repairs, and ADA upgrades as priorities dictate.
- 5 Replace Underground Utility Infrastructure** **\$4,400,000**
This project includes replacement of underground sanitary sewer and gas mains. About 1,700 lineal feet of sewer mains will be upsized to create needed capacity. Repairs to a sanitary trunk line running northwesterly from the north side of campus will be accomplished, so the line can be transferred to Sanitation District #1. Finally, about 1,800 lineal feet of steel gas mains need to be replaced with plastic piping to eliminate risk of leaks. (C-PI)

- 6 Renovate/Construct Campbell Hall** **\$18,000,000**
 This project will provide for renovation and modernization of Campbell Hall, a 46,900-square-foot building located at the northern edge of NKU's Highland Heights campus. If renovation is not financially feasible, a new building may be constructed. (C-PI)
- 7 Scientific/Technology Equip Pool** **\$10,000,000**
 This equipment pool includes scientific/technology equipment to support instruction and research in the basic sciences. (IT)
- 8 Upgrade Admin/IT Infrastructure Pool** **\$21,950,000**
 This pool of funds provides authority for various upgrades to administrative information technology infrastructure. Project financing pursuant to KRS 45.763 is requested. (IT)
CPAB Staff Notes
 - *New project – has not been listed in a prior capital plan.*

2024-2026

Renew/Renovate Landrum Hall	\$27,000,000
Renovate/Expand Business Academic Building	\$62,500,000

2026-2028

Renew/Renovate MEP Center	\$31,000,000
Renew/Renovate Regents Hall	\$9,000,000
Renovate/Expand Nunn Hall	\$84,000,000

NORTHERN KENTUCKY UNIVERSITY
Proposed Projects Involving Agency Bonds
(amounts in **bold** are the total budget)

2022-2024

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

- 1 Renovate Residence Halls Add'l Reauthorization** **\$15,000,000**
This project envisions various capital renewal projects in university owned residence halls. (C-PI)
- 2 Acquire Land/Master Plan 2010-2012 Reauthorization** **\$25,500,000**
This project will allow the university to take advantage of real property acquisition opportunities during the 2022-2024 biennium to support educational programs and campus development. Land acquisition is critical to future development of the university; the 2020 Master Plan recommends the purchase of approximately 40 acres. This project includes acquisition of a campus ministry building located in the center of campus. The project scope is comprised of \$17,500,000 agency bonds, \$4 million restricted funds, and \$4 million long-term financing. (C-O)
- 3 Reconstruct West Side Parking Reauthorization** **\$13,529,000**
This project allows for renovation and construction of parking areas on the west side of Kenton Drive. Surface parking lot expansion may also occur in other areas of campus. Project financing pursuant to KRS 45.763 is requested. The project scope is comprised of \$6,529,000 agency bonds, and \$7 million long-term financing. (C-O)

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 funds-cash (OT-P) or long-term financing (OT-LTF).

2022-2024

Construct Research/Innovation Building Reauthorization	\$30,000,000 OT-LTF
Guaranteed Energy Savings Performance Contracts	1,000,000 OT-LTF
Renovate/Expand Baseball Field Add'l Reauthorization	6,700,000 OT-P
Renovate/Expand Civic Center Building	10,000,000 OT-P
Replace Event Center Technology	4,500,000 OT-LTF

2024-2026

Construct Basketball Practice Facility	\$16,900,000 OT-P/OT-LTF
Construct Indoor Tennis Facility	12,000,000 OT-P

Ongoing/Current Capital Projects
Northern Kentucky University

Project Title	Initial Auth	Status	Constr % Compl	Contract Compl
Construct Mixed-Use Facility with Student Housing Approved pursuant to KRS 45.763 Sub-projects: Construct Mixed-Use Facility with Student Housing (Sub-project: Phase I - North Side) Construct Mixed-Use Facility with Student Housing (Sub-project: Phase II - South Side)	2016-2018	Multiple Subprojects	30	04/01/22
Construct/Acquire New Residence Hall 2016-2018 (Sub-project: Callahan Hall Renovation) Comments: This construction project has multiple phases. Phase I is underway in summer 2021.	2016-2018	In Construction	71	07/20/21
Construct/Acquire New Residence Hall 2016-2018 (Sub-project: Construct New Residence Hall) CM at-Risk project delivery method reported to CPBOC on 11/20/2018	2016-2018	In Construction	100	07/24/20
Construct/Acquire New Residence Hall 2016-2018 (Sub-project: Norse Hall Exterior Repairs)	2016-2018	In Construction	30	
Enhance Student Union Sub-project: Enhance Student Union (Sub-project: Food Service Renovations) Enhance Student Union (Sub-project: Replace SU Ballroom AV/IT)	2020-2022	In Construction	65	08/01/21
Enhance Student Union (Sub-project: Food Service Renovations)	2020-2022	Complete/In Warranty		07/21/20
Enhance Student Union (Sub-project: Replace SU Ballroom AV/IT)	2020-2022	Complete/In Warranty		
Expand/Renovate Soccer Stadium	2018-2020	Awaiting Initiation by Agency		
Reconstruct West Side Parking	2020-2022	Awaiting Initiation by Agency		
Renew E&G Building Systems Projects Pool	2020-2022	Awaiting Initiation by Agency		
Renew/Renovate Fine Arts Center Phase II	2020-2022	Awaiting Initiation by Agency		

**Ongoing/Current Capital Projects
Northern Kentucky University**

Project Title	Initial Auth	Status	Constr % Compl	Contract Compl
Renew/Renovate Nunn Hall	2020-2022	Awaiting Initiation by Agency		
Renew/Renovate Steely Library	2020-2022	Awaiting Initiation by Agency		
Renovate Brown Building	2020-2022	Planning		
Comments: NKU signed a lease with Brighton Properties, Inc. in June 2021 to allow for renovation of the Brown Building into "Opportunity House", a residential facility for up to sixteen 18-24 year olds who are college-bound and have aged out of foster care. Renovation is to be 100% funded by Brighton through grants and fund raising and may begin this fall.				
Renovate Residence Halls	2020-2022	Awaiting Initiation by Agency		
Renovate/Construct Hall Approved pursuant to KRS 45.763	2020-2022	Awaiting Initiation by Agency		
Renovate/Expand Baseball Field	2018-2020	Awaiting Initiation by Agency		
Renovate/Expand Business Academic Building	2020-2022	Awaiting Initiation by Agency		
Renovate/Expand Civic Center Building	2020-2022	Awaiting Initiation by Agency		
Replace Event Center Technology Approved pursuant to KRS 45.763	2020-2022	Awaiting Initiation by Agency		
Replace Underground Utility Infrastructure Upgrade Admin/IT Infrastructure Pool Approved pursuant to KRS 45.763	2020-2022	Awaiting Initiation by Agency		

QUARTERLY STATUS REPORTS - DATA ELEMENTS

Project Status is identified as one of the following:

- Pending Authorization - Is used in the first year of the biennium, when the project authorization is in the second year.
- Awaiting Initiation by Agency - This project has not yet been started. For court facilities, the Project Development Board has not yet been established. For HB 622 institutions, the institution has not yet initiated the project through its internal procedures. For other projects, the agency for which the project was authorized has not yet contacted the Finance and Administration Cabinet.
- Planning - For court facilities projects, in house activity after PDB established, but prior to A/E selection. For other projects, in-house activity prior to A/E selection; if the project is being financed from restricted, federal, or "other" funds, this category is not to be used until those funds have been awarded or received.
- A/E Selection - From the time the A/E solicitation is issued until A/E contract award is finalized.
- Design/Phase A - Schematic design.
- Design/Phase B - Design development.
- Design/Phase C - Construction document development.
- Bidding - From the time a solicitation for construction bids is issued until the bid closing date.
- Revising/Rebidding - Is used when bids have come in over budget and the project is being redesigned or value engineered or is in the process of being re-bid.
- Awarding Contract - From bid closing date until construction contract is finalized.
- Construction/Multiple Bid Packs - For projects that have multiple bid packages. It is used only after at least one of the bids has been awarded and construction is underway. After all bid packs have been awarded, the Status changes to "In Construction."
- In Construction - From award of construction contract until substantial completion.
- CPBOC - Project approved by the Capital Projects and Bond Oversight Committee, a statutory committee of the Kentucky General Assembly.
- Complete/In Warranty - Certification of substantial completion has been received from the A/E and the contractor warranty period has not yet expired.
- Complete/Closed Out - Project is complete, the warranty period has expired, and the project account has been closed.
- Complete/Not Closed Out - The scheduled closeout date for the project account has been exceeded (13 months after substantial completion), but the project account has not yet been closed.
- Cancelled - A decision has been made that the project will not or cannot be undertaken and if a project account was established, that account has been closed.
- Combined Authorities - Used when combined authorities have been reported to the Capital Projects and Bond Oversight Committee. The project name under which the status is reported will be identified in the comments line.
- Multiple Subprojects - Used if a single project authorization is being implemented as two or more subprojects, each of which should be tracked separately for more accurate status reporting. The status is reported for the individual subprojects.
- Other - Use of this category is explained in the Status Comments field.
Pool - Project established with an allocation from the agency's maintenance pool and reviewed and/or approved by the Capital Projects and Bond Oversight Committee.

Construction Percent Complete is calculated as the construction contract expenditures to date divided by the total construction contract.

Contract Completion Date reflects the substantial completion date in the executed construction contract.