

University of North Dakota November 21, 2013

Authorize UND to proceed with construction of the Collaborative Energy Center (CEC) at a cost of \$15.5 million funded from gifts, donations or matching grants; further, request approval to seek budget section authorization per NDCC 15-10-12.1.

Project Description: Project includes construction of a 30,000 sq. ft. collaborative research and educational facility that will be located in the space between and attached to the existing Upson I and II engineering complex and Leonard Hall.

The CEC is a combination of several strategic initiatives for the College of Engineering and Mines (CEM) at UND. It provides a common umbrella for interdisciplinary programs in the important field of energy. The building component of CEC will connect Leonard Hall with the rest of the engineering complex (see figure 1). In addition to providing state-of-the-art labs and multipurpose teaching centers, CEC will provide space for interdisciplinary collaboration among faculty and industry representatives in all fields related to energy. CEC will be the home of the newly established Department of Petroleum Engineering and the Institute for Energy Studies (IES). The Department of Petroleum Engineering has seen tremendous growth in enrollment since its establishment three years ago. The enrollment has grown from 7 to 200 in three years and is expected to continue to grow. Nearly 70 percent of the students are from North Dakota (50 percent) and Minnesota (20 percent). CEC is expected to accommodate the educational needs of the current students as well as for prospective students. The Institute for Energy studies was established in the summer of 2010 to foster interdisciplinary research, education, and outreach activities in the energy field. It is a university-wide institute led and administered by the CEM. CEC will provide the IES with the much needed space to accommodate their activities.

The CEC components will include the following:

- Instruction
 - Multipurpose Teaching Centers
 - Creativity and Innovation Gymnasium
 - Students Spaces
- Labs
 - Petroleum Lab Cluster
 - IES Lab Cluster
 - High Bay Lab Compound
- Collaboration
 - Interdisciplinary Collaboration Wing
 - Industry Collaboration Center
- Student Success Center
- Office and Meeting Space
- Atrium and Gathering Areas

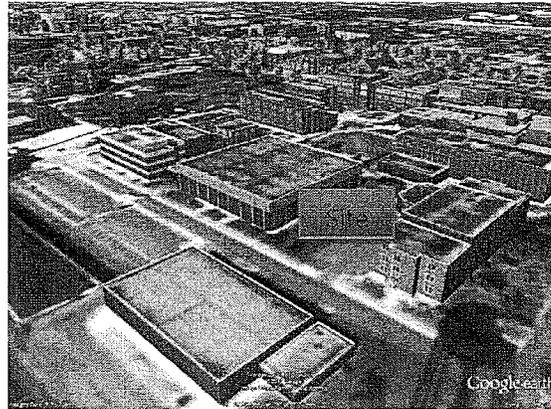


Figure 1 - Site Location

Consistency with Campus Facility Master Plan and Budget: This project is consistent with campus master plan strategies to support state-wide initiatives for energy development.

SBHE and/or Legislative History: This project has been reviewed by the Challenge Fund Committee, established for the matching fund grant program of SB2003, section 8, and Challenge funds of \$460,002.50 have been approved to date by the Challenge Fund Committee, with SBHE allocation pending on November 21, 2013.

Estimated Total Purchased or Donated Costs: \$15,500,000

	Amount
Planning, Permits and Insurance (design costs associated with current project, OMB preplanning revolving funds, architect and engineer fees, permits, insurance)	\$1,000,000
Land/Building Preparation and Purchase or Donated Costs (land acquisition and site preparation/development)	\$0
Demolition and Disposal	\$50,000
Construction (foundation and building construction or renovation, including fixed equipment, landscape, infrastructure and utilities, mechanical and electrical, parking and driveways or roadways)	\$12,250,000
Institutional work (value of work completed by institutional trade staff)	\$150,000
Contingency	\$1,400,000
Hazardous Material Abatement	\$0
Other, including third party costs (please describe)	\$0
SUBTOTAL (if total exceeds \$250,000, requires SBHE approval)	\$14,850,000
Furniture, Fixture and Equipment (FF&E)	\$650,000
TOTAL	\$15,500,000

No other work, other than that specified within this request, is required for the completion of the project nor is other work planned to supplement this project using funding or authority not included within this request.

Future Operating/Improvement Costs and Funding Sources: Operating costs are estimated to be \$300,000 annually. Operating and maintenance costs will be funded using appropriated and/or local sources.

Source and Availability of Funds (including FF&E): All funds for construction to be derived from gifts, donations or matching grants, including \$460,002.50 from the Challenge Fund approved to date. A previously approved capital campaign is underway. UND will not begin construction until all funds are in hand and/or pledges have been guaranteed by the Foundation

Project Management Oversight (consistent with 9/25/13 SBHE approved guidelines): UND will retain Construction Manager at Risk (CMaR) services for this project, which will reduce the overall project management requirements. University architect, Fawn Behrens-Smith, in conjunction with the capital project coordinator, Craig Swenson, have significant project management experience and together with the CMaR and project architect will ensure project management needs are met.

Estimated Project Timeline and Completion Date: Scheduled to be completed within 18 months of completion of fund-raising efforts.