Board of Trustees
Washtenaw Community College

ACTION

4800 E. Huron River Drive
Ann Arbor, Michigan 48105-4800

Subject	Date
Morris Lawrence Building Renovation Capital Project Funding Request	November 17, 2019

Background

The Morris Lawrence Building was built in 1990 as the Jobs Skills and Campus Events Building and during the past 29 years has received three small building additions and numerous minor deferred maintenance upgrades. As the primary location for external campus events, it welcomes over 150,000 visitors and guests each year. The building is the public face of the College and is the primary destination of campus visitors not enrolled in college credit courses.

The primary purpose of this project is to provide the first major upgrades to the building's public spaces since the building was built and enhance the overall experience of visitors and guests. This will be accomplished by:

1. Replacing the deteriorating plastic skylight system
2. Replacing the manual horizontal moveable wall system Replace the lighting throughout the public areas.
3. Replace all finishes throughout the public areas including wall and flooring materials.
4. Install new electronic event directories and kiosks at meeting rooms.
5. Replace failing exterior brick and precast concrete at the entrances.
6. Create a new inviting exterior landscape garden at the west entrance.
7. Address a number of deferred maintenance projects related to the building infrastructure

At the June 25, 2019 BOT meeting, the Board approved the design and engineering contract with Hobbs & Black to perform a detailed assessment of the building elements, create a work plan that supports completing the work within a narrow full building shutdown period of January – June, 2021 and finally to develop a cost estimate for the project. This assessment, requirements specification and project planning has been completed and the total ML Renovation project cost is estimated at $9.0 million.

Project key dates are:

- Construction Bidding process January – February, 2020
- Construction contract reviewed and approved by the Board of Trustees March - April, 2020
- Construction Contract is awarded May, 2020
- Pre-Construction activities commence Fall, 2020
- Full MLB shutdown late December, 2020
- Construction commences late December, 2020
- Morris Lawrence building opens July, 2021

Project Funding Discussion

During the 2021 – 2023 period, the College is pursuing four major capital projects totally between $23 – 32 million. Of this amount, approximately $16 million of expenditures support deferred maintenance projects and the balance of $7 – 16 million is for new capital additions/enhancement, depending upon the outcome of our Center for Success capital outlay request. A review of our General Fund Net Asset balance suggests that $9 million of General Fund reserves is available for transfer to support the upcoming capital project plan. A transfer of $9 million to the Capital Fund will leave the College with an estimated $26 million in unrestricted General Fund reserves, or about 2.5 months of operating costs. Given that the Morris Lawrence renovation project is mainly deferred maintenance in nature and that this project is under extreme time constraints, both for the planning of the outage and its completion, it is recommended that MLB renovation project be funded by the transfer of $9 million of General Fund reserves to the Capital Fund. Funding for the remaining capital projects will be supported with new long-term debt proceeds.

RECOMMENDATION

That the Board of Trustees approve the Morris Lawrence Renovation Capital Project in the amount of $9,000,000 and that the funding for this project be provided by a transfer of General Fund reserves to the Capital Fund in the amount of $9,000,000.

A ROLL CALL VOTE WILL BE TAKEN.

Prepared by: William Johnson

Title: Executive Vice President
                CFO and Vice President of Finance

Recommended by: _Rose B. Bellanca, Ed. D._

                   Rose B. Bellanca, President