



## ***Project Summary Information – Complex***

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<b>Total Project Cost:</b>	\$71,664,016	<b>Cost Per Square Foot – Base:</b>	\$275
<b>Budget Estimate Stage:</b>	Design Development	<b>With Escalation and Contingencies:</b>	\$327
<b>Program Plan Status:</b>	Approved	<b>Gross Square Footage:</b>	137,865
<b>Green Building:</b>	Yes	<b>Net Usable Square Footage:</b>	77,760
<b>Est. Completion Date:</b>	January 2015	<b>Building Efficiency:</b>	56.4%
<b>Project Design Cost %:</b>	9.6%		

## ***Project Summary Information – Bridge***

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<b>Total Project Cost:</b>	\$7,148,723	<b>Cost Per Square Foot – Base:</b>	\$200
<b>Est. Completion Date:</b>	January 2015	<b>With Escalation and Contingencies:</b>	\$263
<b>Project Design Cost %:</b>	9.6%	<b>Gross Square Footage:</b>	18,480

## ***Project Analysis***

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Prior authorizations for design of the new School of Business complex totaled \$4.1 million. The fiscal 2011 budget provided \$0.3 million in order to complete the detailed design. At that point the total estimated cost for the design phase was \$5.6 million based on project scope reduction from 145,800 GSF/80,175 NASF to 130,909 GSF/72,000 NASF. However, the negotiated design fee was \$6.8 million, an increase of \$1.2 million from the estimated cost provided in the 2010 session. Since there were insufficient funds to award a full contract, Morgan State University (MSU) requested at the November 2010 Board of Public Works meeting that the contract be partially awarded, totaling \$2.3 million, for design services from pre-schematic through design development. The additional \$0.9 million to allow the balance of the contract to be awarded was provided in the fiscal 2012 budget. Since design is expected to be completed in August 2012, based on the project schedule, construction funding was accelerated from fiscal 2014 to 2013. The project is scheduled to be completed in January 2015.

Since fiscal 2012, the scope of the project once again changed, increasing from 130,909 NASF/72,000 GSF to 137,865 GSF/77,760 NASF. This is due to the addition of 1,978 NASF of retail space which will be funded by MSU, as reflected in the \$250,000 of nonbudgeted funds programmed in the 2012 *Capital Improvement Plan* (CIP) for fiscal 2014 and

programmatic adjustments requested by the School of Business. In addition, a pedestrian bridge from the School of Business complex to the main campus was added to the scope of the project. The fiscal 2013 budget provides \$20.7 million, of which \$0.7 million supports design of the pedestrian bridge, \$1.7 million is for construction administration services, and \$18.3 million funds construction. In the fiscal 2012 CIP, construction funding totals \$64.9 million. As introduced, the capital budget splits funds the construction authorization between fiscal 2013 through 2015, which is consistent with the anticipated 26-month construction schedule. A pre-authorization for the programmed fiscal 2014 and 2015 construction authorization is included in the Maryland Consolidated Capital Bond Loan of 2012 allowing for the bidding and awarding of the construction contract and for the construction to commence during fiscal 2013.

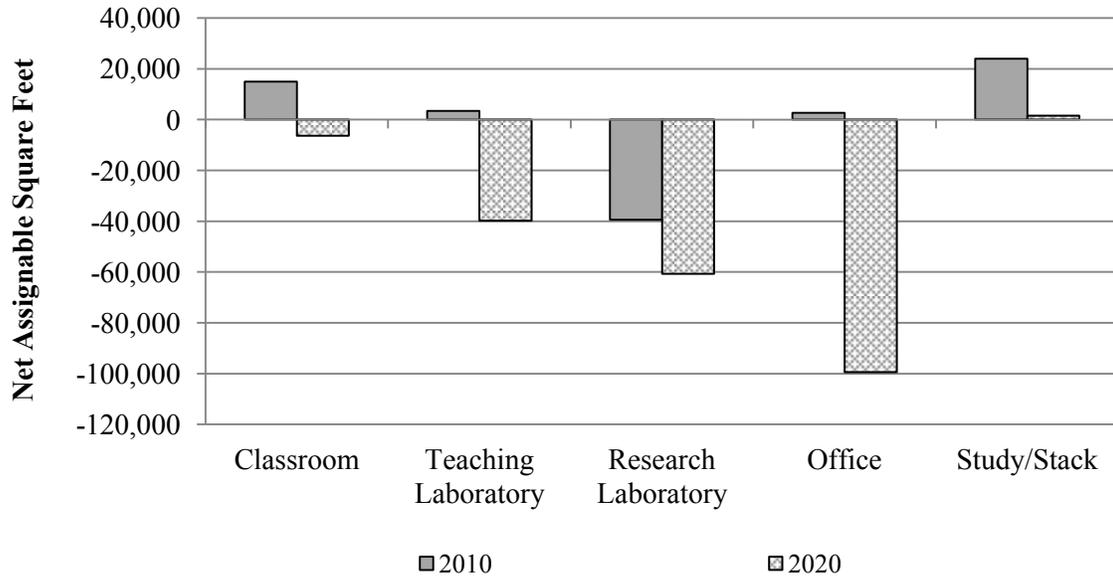
Currently, the School of Business is located in McMechen Hall, which was constructed in 1972. Classroom space in the building is functionally inadequate, unable to support the type of space required for a modern day business school. McMechen Hall has 7,318 NASF of classroom space, but 12,520 NASF is needed to accommodate future enrollment growth. Existing classrooms lack movable fixed tables that provide greater space per student and can be wired to provide power, data access, or microphones at each student station. Installing these tables in existing classrooms will result in the loss of 184 of the 518 current stations. Additionally, there is a lack of breakout space within existing classrooms, making it difficult for students to work in small groups.

McMechen Hall lacks specialized instructional laboratories for business disciplines, such as accounting, marketing, and finance that stimulate trading and market research rooms. These laboratories are a standard in finance and marketing programs and foster experiential learning, providing the skills required by employers. The lack of simulation laboratories does not allow the School of Business to be competitive with other business programs. Overall, according to the Maryland Higher Education Commission, MSU has a teaching laboratory surplus of 3,430 NASF, but by fall 2020, it is expected to have a deficit of 39,742 NASF based on enrollment growth of 16%, as shown in **Exhibit 1**. Furthermore, scheduling of afternoon and evening classes is difficult due to insufficient class laboratory space, resulting in MSU not being able to schedule all core undergraduate courses each semester. Instead courses are offered on a rotating basis which can increase time to degree.

In addition, there are not enough offices for business faculty, and the existing space is too small. McMechen Hall has 52 offices for faculty members of which 41 are less than 120 NASF and most have two occupants. State guidelines for office space are 166 NASF for each full-time faculty and staff.

The Hospitality Management program, which will also be housed in the complex, lacks specialized laboratories, such as demonstration kitchens that allow students to gain experience in institutional food preparation. The business and hospitality management programs currently have 5,904 NASF of laboratory space. The lack of class laboratory space limits the program's ability to attract and properly train hospitality management students. Based on existing enrollment and the State's space guidelines, approximately 9,200 NASF of class laboratory space is needed; therefore, the laboratory deficit is 3,296 NASF. The new facility will provide modern academic space that

**Exhibit 1**  
**Academic Space Deficiency**  
**Fiscal 2010 and Projected Fiscal 2020**



meets programmatic needs, allowing the business and hospitality management programs to be competitive with other programs.

The complex will add 77,760 NASF which includes 13,354 NASF of classroom space; 11,551 NASF of class laboratory space; 1,272 NASF of open laboratory space; and 22,578 NASF of office space. Once the project is completed, McMechen Hall will be renovated and will house the Departments of Mathematics and Computer Science. The renovation of McMechen Hall is not programmed within the 2012 CIP five-year plan.

The 2012 CIP also includes a pedestrian bridge from the Morgan Commons to the new School of Business complex. The complex, located at the Northwood Shopping Center, will require students walking from the main campus to cross Hillen Road which is a heavily traveled thoroughfare. In addition, the building will lie yards from a crest of a hill on Hillen Road creating a hazard for pedestrians. While there is a traffic light at the corner of Argonne Drive and Hillen Road, students often take the shortest and not necessarily the safest route, crossing in the middle of the street. This has resulted in a few incidents where students have been hit by vehicles. While other options were considered, such as a tunnel under Hillen Road, adding a light and crosswalk approximately 500 feet from the current crossing, and rumble strips or speed humps, a connecting bridge was determined to be the most feasible option. The bridge will provide the quickest and safest access to the School of Business and main campus. Furthermore, MSU plans to construct two additional academic buildings at the Northwood site which will further increase pedestrian traffic crossing Hillen Road.

***Prior Authorization and Capital Improvement Program***

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**Authorization Uses  
(\$ in Millions)**

<i>Fund Uses</i>	<i>Prior Authorization</i>	<i>2013 Request</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>
Acquisition	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Planning	5.214	2.352	0.000	0.000	0.000	0.000
Construction	0.000	18.333	43.550	3.050	0.000	0.000
Equipment	0.000	0.000	3.550	2.450	0.000	0.000
<b>Total</b>	<b>\$5.214</b>	<b>\$20.685</b>	<b>\$47.100</b>	<b>\$5.500</b>	<b>\$0.000</b>	<b>\$0.000</b>

**Authorization Sources  
(\$ in Millions)**

<i>Fund Sources</i>	<i>Prior Authorization</i>	<i>2013 Request</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>
GO Bond	\$5.214	\$20.685	\$46.850	\$5.500	\$0.000	\$0.000
Nonbudgeted Fund	0.000	0.000	0.250	0.000	0.000	0.000
<b>Total</b>	<b>\$5.214</b>	<b>\$20.685</b>	<b>\$47.100</b>	<b>\$5.500</b>	<b>\$0.000</b>	<b>\$0.000</b>

## ***Executive’s Operating Budget Impact Statement***

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(**\$ in Millions**)

	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
Estimated Operating Cost	\$0.000	\$0.152	\$1.406	\$2.150	\$2.324
Estimated Staffing	0	0	0	5	5

According to the fiscal 2013 CIP, the new School of Business complex is expected to impact the operating budget beginning in fiscal 2014 requiring \$0.2 million for amortized equipment expenses. In fiscal 2014, the facility’s operating impact is expected to increase to \$1.4 million for expenses related to equipment, supplies and materials, utilities, and telephone. Expenditures in fiscal 2016 and 2017 total \$2.2 million and \$2.3 million, respectively, which includes funding of 5 new regular positions.

## ***GO Bond Recommended Actions***

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1. Approve \$20.7 million in general obligation bond funding to support design of a pedestrian bridge and construction of the new School of Business complex.
2. Approve the pre-authorization of general obligation bond funds for fiscal 2014. This pre-authorization, in addition to the proposed authorizations of \$20.7 million in fiscal 2013 and \$3.1 million in fiscal 2015, is necessary to allow the project to be bid for construction in fiscal 2013.
3. Approve the pre-authorization of general obligation bond funds for fiscal 2015. This pre-authorization, in addition to the proposed authorizations of \$20.7 million in fiscal 2013 and \$43.6 million in fiscal 2014, is necessary to allow the project to be bid for construction in fiscal 2013.

**Capital Project Cost Estimate Worksheet**

**Department:** Morgan State University  
**Project Number:** RM00A  
**Project Title:** New School of Business Complex  
**Analyst:** Sara J. Baker

***Structure***

New Construction:	137,865 Sq. Ft. X	\$275.00 Sq. Ft. =	\$37,912,875
Built-in Equipment:			940,000
Demolition:			0
Information Technology:	137,865 GSF X	\$0.00 GSF =	1,200,000
Telecommunications:			0
<b>Subtotal</b>			<b>\$40,052,875</b>
Regional Factor:	100.0%		0
<b>Subtotal</b>			<b>\$40,052,875</b>
Escalation to Mid-point:	2.92 Yrs. X	3.8% =	11.17% 4,473,906
<b>Total Cost of Structure (Bid Cost)</b>			<b>\$44,526,781</b>

***Site Work and Utilities***

Site Improvements:	2,002,644 + regional factor + mid-point escalation	\$2,226,339
Utilities:	2,002,644 + regional factor + mid-point escalation	2,226,339
<b>Project Subtotal (Bid Cost)</b>		<b>\$48,979,460</b>

***Fees and Miscellaneous Costs***

Green Building Premium:	2.0%	\$979,589
Total Construction Contingency:	5.0%	2,448,973
Inspection Cost:	2.2%	1,067,752
Miscellaneous:	CM Cost Construction Share	5,255,986
Miscellaneous:	CPM Schedule	50,781
Miscellaneous:	CM Pre-Construction Fees	195,918
Miscellaneous:	Building Equipment Commissioning	445,268
Miscellaneous:	Miscellaneous Design Fee	2,000
Miscellaneous:	Movable Equipment	2,600,000
Miscellaneous:	Information Technology Equipment	3,400,000
A/E Fee through Construction Phase @	11.7%	6,238,289
<b>Total Cost of Project</b>		<b>\$71,664,016</b>

<b>Base Cost Per New Square Foot</b>	<b>\$275</b>
<b>Adjusted Cost Per New Square Foot (incl. escalation, contingencies, and Green Bldg.)</b>	<b>\$327</b>
<b>Base Cost Per Renovated Square Foot</b>	<b>\$0</b>
<b>Adjusted Cost Per Renovated Square Foot (incl. escalation, conting., and Green Bldg.)</b>	<b>\$0</b>

**Capital Project Cost Estimate Worksheet**

**Department:** Morgan State University  
**Project Number:** RM00A  
**Project Title:** New School of Business Complex – Connecting Bridge  
**Analyst:** Sara J. Baker

***Structure***

New Construction:	18,480 Sq. Ft. X	\$200.00 Sq. Ft. =	\$3,696,000
Miscellaneous – Other:	Skin Treatment/Signage		462,000
Miscellaneous – Other:	Elevator		145,000
Miscellaneous – Other:	MOT		20,000
<b>Subtotal</b>			<b>\$4,323,000</b>
Regional Factor:	100.0%		0
<b>Subtotal</b>			<b>\$4,323,000</b>
Escalation to Mid-point:	5.00 Yrs. X	3.9% =	19.50% 842,985
<b>Total Cost of Structure (Bid Cost)</b>			<b>\$5,165,985</b>

***Site Work and Utilities***

Site Improvements:	216,150 + regional factor + mid-point escalation	\$258,299
Utilities:	313,418 + regional factor + mid-point escalation	374,535
<b>Project Subtotal (Bid Cost)</b>		<b>\$5,798,819</b>

***Fees and Miscellaneous Costs***

Green Building Premium:	0.0%	\$0
Total Construction Contingency:	10.0%	579,882
Inspection Cost:	2.2%	127,574
Miscellaneous:	CPM Schedule	10,000
A/E Fee through Construction Phase @	9.7%	632,448
<b>Total Cost of Project</b>		<b>\$7,148,723</b>

<b>Base Cost Per New Square Foot</b>	<b>\$200</b>
<b>Adjusted Cost Per New Square Foot (incl. escalation, contingencies, and Green Bldg.)</b>	<b>\$263</b>
<b>Base Cost Per Renovated Square Foot</b>	<b>\$0</b>
<b>Adjusted Cost Per Renovated Square Foot (incl. escalation, conting., and Green Bldg.)</b>	<b>\$0</b>