

**Submitted by: Bethany Gielczyk, Interim Senior Vice President for Business Affairs;
Chief Financial Officer; Treasurer**

Art Building HVAC Improvements

Recommendation

It is recommended that the Board of Governors authorize the President, or her designee, to approve additional funding of \$3,700,000 for the HVAC improvements related to the Art Building. Funding for this project will be provided from the Reserve for Special Non-Recurring funds and insurance reimbursement.

Background and Project Description

The Art Building was constructed in 1956. The building is the home to the Art and Art History and Visual Arts Education departments. In June 2021 the Board approved funding of \$8.5M for the replacement of the HVAC system for the Art Building needed to provide code compliant heating, ventilating, and air conditioning. The Board approved an additional \$3.3M to provide a holistic cooling solution across the entire art complex of the Art Building, Community Arts, McGregor, and the Music Building (Emma B. Schaver).

Subsequently, the existing chiller system serving the Community Arts Complex was adversely impacted by the flood causing irreparable damage. The university has received an additional \$1.2M insurance payment from FM Global, the university's property insurer, to replace equipment damaged when the building flooded.

An additional \$2.5 million will address unforeseen health and safety conditions discovered during construction including abatement and containment of asbestos-containing material and upgrades to outdated legacy particulate exhaust systems which were determined to be out of compliance with current regulations.

All contracts for this project will be awarded in accordance with University policies and procedures.

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Project Budget

Funding Source	
Reserve for Special Non-Recurring Projects	\$2,500,000
Insurance Reimbursements	\$1,200,000
TOTAL Fund Sources	\$3,700,000
Expenditures Plan	
Equipment replacement	\$1,200,000
Deferred Maintenance	\$530,000
Required Health and Safety Upgrades	\$1,770,000
Contingency	\$200,000
TOTAL Expenditures	\$3,700,000