TOPIC: Towson University: Increase the Authorization for the Renovation of Newell and Richmond Halls  
COMMITTEE: Finance  

DATE OF COMMITTEE MEETING: September 1, 2011  

SUMMARY: Towson University requests a $4 million increase in auxiliary bond authorization from $18.8 million to $22.8 million for the renovation of the Newell and Richmond residence halls. The Board of Regents previously approved $1.4 million in FY 2010, $14 million in FY 2011, and $3.4 million in FY 2012 to renovate the buildings as part of the System Funded Construction Program.

Newell and Richmond Halls were originally built in 1914 and 1929, respectively. They have previously had interior finish focused repairs and renovations with major efforts occurring in 1972 and 1996. A comprehensive restoration of the exterior envelope and interior mechanical, electrical and plumbing systems has not been undertaken and is the focus of this capital project. The request to increase the project budget is based on the additional construction costs to address the building’s mechanical, electrical, telecommunications, and structural deficiencies. The extent of these deficiencies has become increasingly apparent as the project design and demolition have progressed. The planned upgrades and improvements will bring all building systems up to current code and compliance standards, improve energy efficiency, and enable the university to obtain LEED Silver certification. This comprehensive renovation will allow for the buildings to be used for an extended period of time before another renovation would be necessary.

ALTERNATIVE(S): Towson University would have to complete the Newell and Richmond renovation as originally planned, forgoing these much-needed improvements that would substantially increase the life of these two buildings. Failure to address all of these issues at this time, when the buildings are already offline, would force the university to take the buildings offline again at some point in the near future. This would result in increased costs for construction and additional lost housing revenue.

FISCAL IMPACT: The increase in authorization of $4 million for Newell and Richmond will be funded by auxiliary bonds. The $6.6 million decrease in auxiliary bonds for Ward and West frees up the bond funding needed for Newell and Richmond. Student fees will not be increased as a result of this change in funding source.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommends that the Board of Regents approve for Towson University an increase of $4 million to the previously authorized $18.8 million in auxiliary bond authorization for a total of $22.8 million for renovation of Newell and Richmond Halls.

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