

**RB21A**  
**University of Maryland, Baltimore**  
**University System of Maryland**

***School of Pharmacy Addition and Renovation (Baltimore City)***

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<b>GO Bonds</b>	<b>\$57,250,000</b>	<b>Recommendation: Approve</b>
<b>Academic Bonds</b>	<b>\$4,977,000</b>	
<b>Nonbudgeted</b>	<b>\$5,000,000</b>	

**Bill Text:** Provide funds to construct an addition to and renovate the School of Pharmacy Building.

**Project Description:** The fiscal 2009 budget includes planning and construction funds for renovation and an addition to Pharmacy Hall to accommodate an expanded pharmacy program. The project would add two additional floors to the building, totaling 112,565 gross square feet (GSF) (65,018 net assignable square footage (NASF)) and renovate 11,400 GSF (9,135 NASF) of existing classroom, laboratory, office, and study space. The nonbudgeted funding comes from the University of Maryland, Baltimore's (UMB) School of Pharmacy. The balance of \$5 million in academic revenue bonds (ARB) is authorized in House Bill 1444 – Academic Facilities Bonding Authority.

**Comments:** The fiscal 2009 request of \$67,227,000 for planning and construction is \$12,027,000 more than what was planned in last year's *Capital Improvement Program* (CIP) which included only planning (\$3,700,000) in fiscal 2009 and programmed construction (\$51,500,000) in fiscal 2010. In the fiscal 2009 CIP request, planning grows to \$4,977,000 and construction to \$62,250,000. The \$1.3 million increase in design costs comes from the project scope expanding to include two additional floors. The \$10.8 million increase in construction is due to the scope change as well as adjustments for inflation, which is between 8% and 10% in fiscal 2008. Additionally, the building is being constructed as a green building, which was not part of the original design, adding 2% to the project's costs. The accelerated construction funding will prevent another year of inflation raising the project's costs.

The General Assembly included \$2.2 million for preliminary plans for construction of Pharmacy Hall in the fiscal 2007 capital budget with the expectation that the remaining design funds would be provided in fiscal 2008. However, the fiscal 2008 CIP deferred the funds. The fiscal 2008 budget stated the General Assembly's intent that the remaining design funds be provided in fiscal 2009.

**RB21A – USM – University of Maryland, Baltimore**

As final design funding was deferred in fiscal 2008, UMB used a bridge loan from the University System of Maryland to finish the design independently. The \$5 million ARB funds programmed for fiscal 2009 will be used to reimburse the school for that expense. The university's \$5 million will help to offset the increased construction cost due to the scope changes.

As the only public pharmacy program in Maryland, UMB's School of Pharmacy meets a critical need for pharmacists, especially given the demonstrated pharmacist shortage throughout the State. UMB has been growing its pharmacy enrollments to meet this demand and anticipates the program to accommodate 960 pharmacy students, including 260 additional enrollments as a result of the increased project scope – 100 on the Baltimore City campus and 160 in the satellite campus at the Universities at Shady Grove. The students enrolled at the Shady Grove location will spend their final year of study on the Baltimore City campus, and some faculty teaching at Shady Grove will be located in Baltimore City as well.

The program's current classroom and laboratory space inventory is 12,848 NASF with a deficit of 30,978 NASF, as 615 students are taking courses in a building designed to accommodate 300. The two-floor addition will bring the total space inventory to 34,329 NASF.

## ***Project Data***

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(\$ in Millions)

<i>Description</i>	<i>Prior Authorization</i>	<i>2009 Request</i>	<i>2010 Estimate</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>
Planning	\$2.200	\$4.977	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	62.250	0.000	0.000	0.000	0.000
Equipment	0.000	0.000	8.600	0.000	0.000	0.000
<b>Total</b>	<b>\$2.200</b>	<b>\$67.227</b>	<b>\$8.600</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

<b>Total Project Cost:</b>	\$78.027	<b>Cost Per Square Foot – Base:</b>	\$291
<b>Gross Square Footage:</b>	112,565	<b>With Escalation &amp; Contingencies:</b>	\$296
<b>Green Building:</b>	Yes	<b>Net Usable Square Footage:</b>	74,153
<b>Approved Program Plan:</b>	Yes	<b>Building Efficiency:</b>	59.8%
		<b>Regional Cost Factor:</b>	100%
		<b>Estimated Completion Date:</b>	October 2010

## ***Recommended Actions***

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Approve.

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

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(\$ in Millions)

	<i>FY 2009</i>	<i>FY 2010</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>
<b>Estimated Operating Cost</b>	\$0.000	\$6.439	\$1.482	\$1.527	\$1.572
<b>Estimated Staffing</b>	0.0	15.7	15.7	15.7	15.7

The addition to Pharmacy Hall will not generate any operating costs or additional staff until fiscal 2010. Operational costs will include a fiscal 2010 one-time purchase of equipment and supplies (\$5 million) in fiscal 2010, hiring an additional 15.7 support staff for housekeeping and maintenance (\$554,611), utility costs (\$516,803), and expanded communications capabilities (\$126,600). These numbers differ from what is reported in the fiscal 2009 budget books as the numbers printed there do not include the scope change of two additional floors. **UMB should comment on the nature of the one-time, \$5 million purchase of equipment and supplies in fiscal 2010.**

**Capital Project Cost Estimate Worksheet**

**Department:** University of Maryland, Baltimore  
**Project Number:** RB21A  
**Project Title:** School of Pharmacy Addition and Renovation  
**Analyst:** Richard H. Harris

***Structure***

New Construction:	112,565 Sq. Ft. X	\$300.00 Sq. Ft. =	\$33,769,500
New Construction:	11,400 Sq. Ft. X	\$195.00 Sq. Ft. =	2,223,000
Renovation:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Renovation:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Built-in Equipment			2,800,000
Asbestos Removal			102,600
Information Technology	123,965 GSF X	\$9.08 GSF =	1,125,659
Telecommunications			0
Miscellaneous – Other			0
<b>Subtotal</b>			<b>\$40,020,759</b>
Regional Factor:	100.0%		0
<b>Subtotal</b>			<b>\$40,020,759</b>
Escalation to Mid-point:	2.75 Yrs. X	7.9% =	21.75% 8,704,515
<b>Total Cost of Structure (Bid Cost)</b>			<b>\$48,725,274</b>

***Site Work and Utilities***

Site Improvements:	2,776,038 + regional factor + mid-point escalation	\$3,379,826
Utilities:	3,301,038 + regional factor + mid-point escalation	4,019,014
<b>Project Subtotal (Bid Cost)</b>		<b>\$56,124,114</b>

***Fees and Miscellaneous Costs***

Green Building Premium	2.0%	\$1,122,482
Total Construction Contingency	5.0%	2,806,205
Inspection Cost:	2.2%	1,234,730
Miscellaneous: Construction Management		1,725,817
Miscellaneous: Building Commissioning		560,341
Miscellaneous: Equipment/Information Technology		8,600,000
Miscellaneous: CPM Schedule/Archeology		74,000
A/E Fee through Construction Phase @	9.4%	5,775,170
<b>Total Cost of Project</b>		<b>\$78,022,859</b>

<b>Base Cost Per New Square Foot</b>	<b>\$291</b>
<b>Adjusted Cost Per New Square Foot (incl. escalation, contingencies &amp; Green Bldg.)</b>	<b>\$296</b>
<b>Base Cost Per Renovated Square Foot</b>	<b>\$0</b>
<b>Adjusted Cost Per Renovated Square Foot (incl. escalation, conting. &amp; Green Bldg.)</b>	<b>\$0</b>