

COMMISSION FOR HIGHER EDUCATION

Friday, November 14, 2008

DECISION ITEM B-2: Construction of Vincennes University Center for Advanced Manufacturing in Gibson County

Staff Recommendation That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Construction of the Vincennes University Center for Advanced Manufacturing in Gibson County*, as described in the project description and staff analysis dated December 1, 2004.

Background By statute, the Commission for Higher Education must review all projects to construct buildings or facilities of a cost greater than \$500,000 regardless of the source of funds.

The Trustees of Vincennes University request authorization to proceed with the construction of the Center for Advanced Manufacturing in Gibson County. The 50,000 GSF (40,000 ASF) building would cost \$10,000,000 to construct, plus additional land and equipment costs of \$2,000,000. The project will be funded by a \$5,000,000 cash appropriation by the 2007 Indiana General Assembly, gift funds and Vincennes University institutional funds.

Supporting Document *Construction of the Vincennes University Center for Advanced Manufacturing in Gibson County, November 3, 2008*

**CONSTRUCTION OF THE VINCENNES UNIVERSITY CENTER FOR ADVANCED
MANUFACTURING IN GIBSON COUNTY**

November 3, 2008

Project Description and Staff Analysis*

DESCRIPTION OF THE PROJECT:

The Trustees of Vincennes University request authorization to proceed with the construction of the Center for Advanced Manufacturing in Gibson County. The 50,000 GSF (40,000 ASF) building would cost \$10,000,000 to construct, plus additional land and equipment costs of \$2,000,000. The project will be funded by a \$5,000,000 cash appropriation by the 2007 Indiana General Assembly, gift funds and Vincennes University institutional funds.

Project Summary:		
Space in Project:		50,000 GSF 40,000 ASF
Project Cost:		
Facility	\$10,000,000	\$200 per GSF
Land & equipment	\$ 2,000,000	
Expected Annual Debt Service:	none	
Source of Funds:	2007 Cash Appropriation	\$5,000,000
	Gift & in-kind contributions	\$3,720,000
	Vincennes University	\$3,280,000

The state of the art Advanced Manufacturing Training Center would provide the State of Indiana with a premiere technological training center located in the heart of the expanding industry and population base in Gibson County, near Princeton, Indiana. Instruction and training would be provided to traditional and non-traditional students.

The Center for Advanced Manufacturing would significantly enhance the training facilities available in highway 41's southern corridor. This program has high growth potential in both the short-term and long-term. This facility would meet the needs of growth in the geographic area and would allow Vincennes University to continue its reputation as a leader in this type of education. Regional employers and employees would benefit greatly from the availability of training offered at the new facility. The new facility would be a powerful asset in enhancing the capacity of Vincennes University to serve as a technical and specialized training center throughout Indiana.

* The *Staff Analysis* is a Commission staff work product. Most other portions of this document are extracted from documents authored by the institution, with occasional editing to conform to agenda presentation style.

The primary focus of the Gibson facility will be advanced manufacturing and will utilize expensive, high-end, state-of-the-art equipment. Participants will have full access to the multi-purpose training labs and specialized facilities housed in the Advanced Manufacturing Training Center. Resources are also available to support training in the use of specialized software, manufacturing and production processes, or skill development that would meet employer needs. In addition, regional manufacturers, including Toyota, will have the ability to provide evaluation and training in this facility.

The project would be funded through a \$5,000,000 cash appropriation by the 2007 Indiana General Assembly. The Vincennes University Foundation will contribute an additional \$3,000,000 to the project. The Town of Fort Branch is providing \$170,000 in infrastructure improvements for the new facility site and Gibson County is providing \$50,000 in infrastructure upgrades. Vincennes is expecting \$500,000 from the private corporate partners, though the funds have not yet been raised. Vincennes considers this a conservative estimate. Vincennes reports a great deal of interest in the new facility from local industry.

The new 35,000 square foot Advanced Manufacturing Training Center will feature "smart" classrooms and labs, designed to be flexible and highly adaptable to the variety of needs of business and industry as well as students. Extensive design has gone into the planning of *smart* classrooms and labs, and every effort has been made to determine current and future needs. The *smart* facilities will include:

Educational Technology and Telecommunications Classrooms and Labs, which include:

- High Bandwidth Infrastructure (Internet II)
- IP Video and Video Streaming Capabilities
- Blackboard Server for Delivering Web-based Training Materials
- Satellite Downloads and Uploads
- Interactive Pen-based Computing via Tablet PC's
- Simulation Based Software - for training of equipment of the future.

Training, Assessment, and Certification Centers

- Programming of the facility will be centered on business and industrial training, featuring programs in:
 - Computer Integrated Technologies and Manufacturing Programs
 - Computer Numeric Control
 - Drafting and Design
 - Computer Aided Manufacturing
 - Computer Aided Design
 - Machine Trades: Injection Molding
 - Electronics
 - Machine Trades: Tool and Die
 - 21st Century Logistics and Distribution
 - Welding Computer Programming
 - Industrial Maintenance
 - Computer Integrated Manufacturing
 - Robotics

Information Technologies

- Computer Networking
- Network Administrator
- Medical Records / Allied Health
- Webmaster

Biomedical Technology

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES:

Vincennes University has recognized for many years that Indiana is unique as a leading manufacturing state. In addition, VU realizes that centers of manufacturing equate to a large need for human and intellectual capital. Therefore, considerable time and resources have been spent over the past decades in developing special curriculum and evaluative techniques tailored to suite the diverse industrial needs of Indiana. The strength of Vincennes University lies in its ability to adapt to the ever changing business and technical world to fulfill the employment needs of Indiana through specialized training.

Vincennes University believes that Indiana is alive with vibrant communities, attractive employment opportunities, and industries that 'make a difference' within the state. However, we also believe that the Gibson facility can help to attract diverse businesses and industries, and do its part to support the connections that are the crux of Indiana's economic vitality.

This facility will also be used as a focal point by the Indiana Department of Commerce in attracting new business to the state of Indiana. Never before has the resources from varying government agencies been combined to create such an enhanced synergy and provide such an impressive and cost effective method for Indiana to invest in itself.

Cooperative Endeavors

Vincennes University, while enjoying training partnerships with a selection of the leading local, regional, and state-wide businesses and industries, seeks a much more inclusive involvement. There are a significant number of hi-tech businesses and industries that are recognized throughout the state (if not the nation), but establishing initial working relationships can be problematic. Therefore, Vincennes University has created a relationship with TechPoint, a consortium of over 450 leading Indiana-based businesses and industries. This alliance would allow Vincennes University to use the TechPoint infrastructure in an effort to network our program to member industries throughout the state. In addition, VU is enhancing a cooperative agreement with the Indiana Manufacturing Association. Related to TechPoint, the IMA represents over 90% of the manufacturers in Indiana, and would be a significant resource. With existing services in job placement, counseling, and assistance, Vincennes University looks forward to serving the IMA through offering assessment and training for potential employers and employees. These relationships will prove to be a significant resource and will allow VU the opportunity to reach the maximum of non-Federal institutions within Indiana.

In addition to the TechPoint relationship, Vincennes University continues to enhance its cooperation with several key State and Federal agencies, including the Department of Workforce Development, the Technology Park at Crane Naval Base, and the Department of Commerce. These partnerships are also critical ingredients and will also serve as important tools for recruitment and retaining industry and promoting the prosperity of the state of Indiana.

Vincennes University is currently a contractual, tailored-training center of human capital for several employers. Through the Gibson county facility, these relationships would be further solidified, building the momentum for expanded future cooperative endeavors with additional partners. The current involved industries include:

- Associated Builders and Contractors of Indiana
- ATS (Automotive Technology Systems)
- Biddle Precision Components
- Bisteon (subcontractor for Ford)
- Cinergy (PSI) and Tracy Electric
- Cisco Systems
- Commercial Vehicle Systems
- Crane Naval Base
- Dexter Axle
- Fairmont Homes
- Flexcel, Division of Kimball International
- Ford Motor Company
- Futaba International
- GECOM Corporation
- Gemtron
- General Electric
- General Motors
- Gulf Stream RV
- Hurco Manufacturing
- Hurst Manufacturing
- Impact Forge
- Indiana Lumberman's / Builders Supply Assoc.
- John Deere
- Meridian Automotive
- Microsoft
- Perdue Farms
- Precision Metalforming Association (PMA)
- Rexam Closures
- Sea Hawk RV
- Shelbyville LLLC
- Superior Essex Wire
- Toyota

Vincennes University is also a focal-point for local, regional, and national certification. The following list is an example of the types of certification already in place:

- ASE (Automotive Service Excellence)
- ICET (Indiana Certified Electronics Technician)
- CompTIA
- Land Surveying Certification
- Cisco (CCNA)
- GED Certification
- FAA (Federal Aviation Administration)

- Microsoft Office Specialist (MOS)
- Novell
- Microsoft Certified Systems Engineer (MCSE)

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING:

Vincennes University fulfills a unique role in Indiana's system of higher education. As a public, comprehensive university, Vincennes University has a two-fold mission: preparing graduates for junior level transfer into four-year colleges and universities, and preparing two-year occupational graduates with the job skills needed to achieve immediate job placement, as well as with the academic skills necessary to support lifelong learning. The new Center for Advance Manufacturing will be instrumental in allowing VU to be the leader in high-tech Business and Industry education. It will act as a catalyst for the continuous upgrading of the region's human capital and will be an incentive for sustaining and attracting new industry. We believe this project will result in a significant return on investment by promoting economic development and expansion along the Highway 41 South Industrial Corridor and surrounding areas. This initiative is consistent with VU's long-range planning and unique educational mission.

STAFF ANALYSIS:

1. This project was not requested by Vincennes University in any official capital request and was not recommended by the Commission. It was authorized by the 2007 General Assembly in HEA 1001-2007 along with a \$5,000,000 cash appropriation.
2. Vincennes has been able to more than double the state appropriation to bring the total project cost, including land, site development and equipment costs, up to \$12,000,000. The funding breakout is as follows:

State Contribution	\$ 5,000,000.00
VU Foundation & Endowments	\$ 3,000,000.00
Town of Fort Branch	\$ 170,000.00
Gibson County	\$ 50,000.00
Corporate Partners	\$ 500,000.00
VU institutional Match	<u>\$ 3,280,000.00</u>
Total	\$ 12,000,000.00

3. The contributions from the Town of Fort Branch and Gibson County are in-kind contributions through infrastructure improvements on the construction site, including water, sewer, and roadway improvements. VU believes the \$500,000 in “Corporate Partner” contribution is conservative. VU reports they are already getting inquiries from companies such as Lincoln, Miller, Hobart, OTC, and ESAB all of which are leaders in welding and advanced cutting machines. HAAS a leader in CNC and multiple robotic companies such as KUKA, ABB, and MOTOMAN would also be partners in this facility.
4. VU currently has a soft earmark of 2.5 million dollars from the Dept of Agriculture. VU is in discussions right now trying to free up some of these funds for this project. In addition VU has submitted a \$1.5 million request for an Advanced Manufacturing Initiative. VU reports that this

request has been enthusiastically embraced by Senators Lugar and Bayh. In addition Representative Ellsworth is working very hard to secure these dollars for the 8th district. If VU is able to receive federal funding for the project, they would reduce their internal contribution by the amount received.

5. The building is would be sited on land purchased by the Vincennes University Foundation along Hwy 41 in Gibson County.

6. The project is consistent with VU's dual mission of providing academic degrees and workforce development. The project does have the support of the Indiana Economic Development Corporation.