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College construction costs go through roof

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Public colleges in South Hampton Roads and across Virginia are reeling from sticker shock.

Less than two years after Virginia voters approved the sale of bonds to fund construction and renovation at public colleges, school officials are finding that the projects are far more expensive than they anticipated. Many fear that the \$846 million college bond package won't cover the costs statewide.

For example, Norfolk State University's expansive research and technology center could cost \$23 million, or 28 percent more, than the \$18 million budgeted.

Construction on [Tidewater Community College's](#) science building in Virginia Beach is still 10 months away, but officials are worried that the \$11.3 million allocated is not enough and are already exploring ways to pare it down.

Old Dominion University had to downsize its technology building renovation and combine it with another project after bids came in almost 20 percent over the \$9.2 million budget.

"I think it is surprising that the costs have escalated to that extent," said Kevin Appleton, NSU's vice-president for finance and business. "The options are: get more money or scale down the project."

More than 72 percent of voters approved the sale of bonds in November 2002, with the projects staggered over several years.

But since then, the construction industry has experienced a boom and fewer contractors are bidding on public projects. As a result, administrators – at two-year schools in particular – are having a hard time finding contractors willing to build at the prices voters agreed to pay.

Statewide, seven of nine projects that went to bid since January are over budget, with only two or three bidders each, Virginia Community College System officials said.

Conversely, all but three of 13 projects bid between December 2002 through December 2003 came in significantly under budget, with many more bidders, VCCS figures show.

Some of these projects are additions that would provide critically needed space for students at community colleges, which are seeing increased enrollment.

TCC's new science building, for example, would help serve a full-time equivalent student body that has grown by 11 percent at the Virginia Beach campus over the past five years. The planned 80,000 square-foot building will offer science students more space, as well as a rooftop observatory and planetarium.

The RISE center – the name stands for Research and Innovations to Support Empowerment – is a major project for NSU.

A blend of academic, research and corporate offices, it has been touted as the region's ticket to becoming a communications technology hub for the southeastern United States.

Despite an almost 28 percent increase in costs, the construction on the first phase of the center is still scheduled to begin this fall and be completed at the end of 2005, Appleton said.

School officials are taking some comfort in knowing that they are not alone.

Germanna Community College's lowest bid for its planned Advanced Technology Center in Culpeper was \$2 million over the \$5.9 million budget, or about 34 percent over budget. An addition to the Loudoun campus of Northern Virginia Community College came in 19 percent over budget.

And a contract at Rappahannock Community College wasn't awarded at all, with the lower of two bids more than 60 percent higher than the \$430,000 budget.

A primary reason for the problem is that officials must develop construction budgets before the projects are designed or bid, said Greg Lukmire, president of Lukmire Partnership Inc., a Northern Virginia architecture, engineering and planning firm that designs many college and other public projects.

"Generally, you cannot predict the market," Lukmire said.

William E. Evans, president of the Virginia Society of the American Institute of Architects, added that the current shortage of skilled labor and high cost of steel, concrete, wood and other materials are among factors driving up general contractors' bids.

Also, many contractors are flush with private work, so they opt to avoid the public bidding process required for state projects.

"It's a tough market, making it tough for public owners right now," Evans said. "They have a bond and they have a budget. State lawmakers don't have a sense of humor when things go over budget." NSU representatives have spoken to state officials about increasing costs of the RISE center and the potential for the price of another project, the student center renovation and expansion, to also balloon, Appleton said.

ODU got permission from the state to combine two projects and shift some of the money between the renovations, said Robert L. Fenning, the vice president for administration and finance.

The technology building renovation will now cost more than \$10 million, about 9 percent over the budget, Fenning said.

Germanna President Francis S. Turnage said he plans to first seek private money to pay for his school's project.

Colleges could ask the General Assembly for more funding, but that could delay projects for up to two years.

Solving the problem could take the combined efforts of the state government and the colleges, said Del. Robert F. McDonnell, R-Virginia Beach. The governor may have some discretionary funds and there may be some money in the state's capital budget. But the schools will also have to look at their own endowments, McDonnell said.

"We may have to look at a little of everything," he said. "I think with some creativity and with some staff evaluation we can get some good recommendations. It was critical that we made those capital infrastructure investments in the universities. ... I think there will be a very strong willingness to help out."

Officials at TCC are hoping that the construction environment will change in the coming months.

"By the time we are ready to bid our projects the trend may reverse itself," said Frank Dunn, TCC's vice president for administration. "We can always hope."

The Associated Press contributed to this story.

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