

BOARD OF REGENTS BRIEFING PAPER

1. **AGENDA ITEM TITLE:** U.S. Department of Health and Human Services, Health Resources and Services Administration Grant, Notice of Federal Interest - Pinon Hall, WNC Fallon Campus
2. **MEETING DATE:** February 29, 2024

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

Western Nevada College (the “WNC”) was awarded a \$2,314,000 grant from the U.S. Department of Health and Human Services, Health Resources and Services Administration (the “HRSA”) to renovate the interior spaces of Pinon Hall (the “Project”). The interior space of this 1985 building will be remodeled to support expansion of the WNC Fallon nursing program. Classroom space will be updated to accommodate teaching/testing equipment, and public facilities will be renovated and updated for building code compliance.

The Project will be located within Pinon Hall (the “Building”) on a portion of the WNC Fallon campus (the “Campus”). The parcel where the Building is located is approximately 12.19 acres (7,632 square feet), commonly known as Churchill County Assessor Parcel Number 001-191-20 (the “Property”). An aerial map of the Building location, is incorporated herein as **Attachment “A”**.

When the Federal Government provides funding for a substantial improvement to, or construction on, real property, the party receiving the grant is required to attach a lien to the property called a Notice of Federal Interest (the “NFI”). The NFI protects not only the Federal Government’s interest in the encumbered property, but also protects HRSA to ensure that the purpose for which the funds were originally awarded by the Federal Government is followed through with for the implementation of funds, with options for recourse available via the NFI if there is a compliance issue. The NFI is essentially a lien against real property that has benefitted by the HRSA grant, and which is used to deliver health care services. After the NFI is filed against the property, activities such as new mortgages, selling the facility, or leasing the facility to an entity that does not provide healthcare, requires prior approval from the HRSA. The NFI will not affect existing mortgages or modifications being made to the facility. The NFI due date for the Project is March 31, 2024. The sample NFI and FAQ addressing Federal Interest in Real Property, are incorporated herein as **Attachment “B” and Attachment “C”**.

As a general matter, under applicable Federal regulations, the NFI lien will be removed upon the full depreciation of the subject improvements and equipment and/or the expiration of the economic life of the improvements and equipment. The Grant Management Specialist with the Office of Federal Assistance Management (the “OFAM”) will be advised of WNC’s intent to pursue removal of the NFI within a reasonable amount of time that reflects the useful life of the Project improvements. The nonbinding notice letter to OFAM is incorporated herein as **Attachment “D”** (the “Notice Letter”).

WNC requests approval for a NFI from the Board of Regents, for a \$2,314,000 HRSA grant for improvements at the WNC Pinon Hall, at the March 1, 2024 Board of Regents meeting. The Pinon Building is located on the Property referenced above. Therefore, the NFI lien will apply to the entire Property.

Due to the lien commitment and policies outlined in Title 4, Chapter 10, Section 1(9), Table 9.1, of the Board of Regents’ Handbook, approval of the NFI by the Board of Regents (the “BOR”) will be required.

It should also be noted that WNC will work with Churchill County to amend and extend the current lease agreement for the Building, which is set to expire in 2030. WNC will seek to extend the terms of the lease, at a minimum, to cover the term of the NFI lien. Specifically, WNC and Churchill County have conditionally agreed to amend and extend the current Building lease agreement for an additional 6 years, 9 months, to cover the NFI lien period. The proposed new lease agreement term will be extended to January 1, 2037. The proposed lease, which is subject to approval by the BOR and the Churchill County Board of Commissioners, is attached hereto as **Attachment “E”** (the “Building Lease”).

Project Description

WNC will convert the 7,632 square-foot Pinon building into a permanent instructional training space for its rural nursing cohort which serves Fallon and surrounding rural communities. WNC rural nursing students are able to complete many courses remotely but need to practice and demonstrate applied knowledge in-person. Once completed, WNC will be able to increase nursing student capacity from 8 to 12 students per year and provide adequate space for nursing and allied health programs including phlebotomy, medical and nurse assistant training.

It is estimated the Project will take 24 months to complete and will be managed in conjunction with the Advancement and Facilities Departments. State of Nevada prevailing wage laws will apply. The more detailed project description and budget is incorporated herein as **Attachment “F”**.

Project Budget

The budget will be used to renovate and equip the Building to accommodate teaching/training equipment for our nursing students. Below is the budget summary for the Project.

- Equipment - \$436,970
- Other Direct Costs (Outlined Below) - \$1,877,030
 - Demolition and removal - \$17,989
 - Inspection fees - \$30,082
 - Architectural and engineering fees - \$90,246
 - Construction - \$1,434,680
 - Contingencies - \$72,633
 - Project Management - \$231,400
- **Total Project Costs - \$2,314,000**

Once the federal funding is fully expended, WNC will fund ongoing operations of the facility with internal revenue sources.

More detailed budget information is provided in the Budget Narrative, incorporated hereto as **Attachment “G”**.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

WNC President Kyle Dalpe requests Committee and Board approval to execute the Notice of Federal Interest, which will grant the Federal Government the ability to record a lien against a portion of NSHE owned real property, commonly known as the WNC Fallon Campus Pinon Hall, bearing Churchill County Assessor Parcel Number 001-191-20, for the purposes of HRSA grant compliance requirements. WNC further requests the Chancellor be authorized to finalize, approve, and execute any other ancillary agreements or documents required to proceed with the project, including but not limited to the Building Lease, which includes an amendment to the ground lease with Churchill County for the property on which Pinon Hall was constructed, and which provides (1) Churchill County’s agreement to amend the lease to extend the term through January 1, 2037, as set forth in the proposed Building Lease; (2) Churchill County’s agreement to allow the recording of the Notice of Federal Interest against its fee interest; and (3) Churchill County’s consent to the recording of the Notice of Federal Interest against the WNC leasehold interest. Obtaining an amendment with the foregoing points would be a condition to final execution and recordation of the Notices of Federal Interest. Additionally, WNC requests President Dalpe be authorized to execute the Notice Letter and the approval of the Chancellor to execute the Building Lease. All aforementioned agreements and documents shall be reviewed and approved by NSHE Chief General Counsel (or, at the Chief General Counsel’s request, NSHE Special Real Property Counsel) in order to implement the terms and conditions required to finalize the Notice of Federal Interest, subdivision of the Property, and re-recording of the Notice of Federal Interest.

4. IMPETUS (WHY NOW?):

Western Nevada College was awarded a HRSA grant in the amount of \$2,314,000. In order to execute a grant agreement, a Notice of Federal Interest is required. If a Notice of Federal Interest is not executed, the grant agreement cannot be executed, and WNC cannot receive the grant award.

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

- ☒ **Access (Increase access to higher education)**
- ☒ **Success (Improve student success)**
- ☒ **Close Institutional Performance Gaps**
- ☒ **Workforce (Meet workforce needs in Nevada)**
- ☒ **Research (Increase solutions-focused research)**
- ☒ **Coordination, Accountability, and Transparency (Ensure system coordination, accountability, and transparency)**

☐ Not Applicable to NSHE Strategic Plan Goals

6. INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

Expansion of the rural nursing program will greatly improve the communities that WNC serves, in addition to the renovation of campus facilities and equipment. The Project is consistent with and will further NSHE and WNC's vision, mission and values.

7. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Increases the rural nursing program capacity from 8 to 12 students per cohort.
- Provides a permanent location for the WNC Fallon Nursing Program, which was displaced from the county facility in 2020 due to pandemic-related needs of the county. The program has been housed in the academic skills center to date.
- Greatly improves the building condition and provides for state of art nursing equipment.
- Provides increased student training space.
- Supports the rural mission by providing additional nurses to the rural workforce.

8. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

The grant requires that a real property lien, via a Notice of Federal Interest, be recorded against the Property, which will impact NSHE's property rights as long as the Notice of Federal Interest remains on the property title.

9. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Failure to obtain approval of the Notice of Federal Interest, would result in WNC turning down the grant funding opportunity.

10. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:

The Chancellor's Office supports this request.

11. COMPLIANCE WITH BOARD POLICY:

- ☒ Consistent With Current Board Policy: Title # 4 Chapter # 10 Section # 1(9), Table 9.1
- ☐ Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____
- ☐ Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____
- ☐ Other: _____
- ☐ Fiscal Impact: Yes No X

Explain: WNC will fund costs to record the Notice of Federal Interest (\$1,000). WNC intends to fund these costs using campus real estate operating funds. Once the federal funding is fully expended, WNC will fund ongoing operations of the facility with internal revenue sources.

VICINITY MAP



AREA MAP



ATTACHMENT "B"

SAMPLE NOTICE OF FEDERAL INTEREST

On *(insert date)*, the *(insert name of OPDIV)* awarded Grant No. _____ to *(insert name of recipient)*. The grant provides Federal funds for *(describe purpose of grant, e.g., construction, major alteration and renovation, mortgage, or acquisition of a building*)*, which is located on the property described below in _____ County, State of _____ :

(GRANTEE INSERT LEGAL DESCRIPTION OF PROPERTY)

The Notice of Award for this grant includes conditions on use of the aforementioned property and provides for a continuing Federal interest in the property. Specifically, the property may not be (1) used for any purpose inconsistent with the statute and any program regulations governing the award under which the property was acquired; (2) mortgaged or otherwise used as collateral without the written permission of the Associate Administrator, Office of Federal Assistance Management (OFAM), Health Resources and Services Administration (HRSA), or designee; or (3) sold or transferred to another party without the written permission of Associate Administrator, Office of Federal Assistance Management (OFAM), Health Resources and Services Administration (HRSA), or designee. These conditions are in accordance with the statutory provisions set forth in *[insert authorizing Federal law name and citation, or insert the name of the appropriations bill authorizing the award of the earmarks for that particular year]*, Title 45 CFR part 74 or 92 (as appropriate), the HHS Grants Policy Statement, and other terms and conditions of award.

These grant conditions and requirements cannot be nullified or voided through a transfer of ownership. Therefore, advance notice of any proposed change in usage or ownership must be provided to the Health Resources and Services Administration (HRSA), Office of Federal Assistance Management (OFAM).

Signature: _____

Typed Name: _____

Title: _____

Date: _____

** Description should include specificity to determine if the Federal Interest applies to the land, building, or part thereof. Street or campus address should be included whenever possible*

ATTACHMENT "C"

FAQ: Federal Interest in Real Property

What is Federal Interest?

- ▶ Federal Interest is the Federal government's share in a property, based on the Federal funding that went towards acquiring or upgrading it. The Federal government has a Federal Interest in Equipment, Supplies, and Real Property (land and buildings). Property, equipment, and supplies are "tools" needed to help support and deliver the various health care services that HRSA funds through its grant programs.

Federal Interest in Real Property

A grantee's property may be used to deliver health care services long after a grant is closed. When the Federal Government has provided funding for a substantial improvement (property construction or major renovations), the grantee may be required to attach a lien to the property called a Notice of Federal Interest (NFI).

Notice of Federal Interest

The NFI protects not only the Federal Government's interest in the property, but also the purpose for which the funds were originally awarded. An NFI is required for:

- New Construction Projects-result in an increase in usable square footage, regardless of total project cost.
- Major Renovation Projects-total project costs greater than \$500,000, excluding moveable equipment costs.

Frequently Asked Questions

Q1: Is a Notice of Federal Interest required for capital projects?

A1: Yes. NFI filings are required for:

- **ALL** construction projects.
- **Each** alteration/renovation project having a total (Federal and non-Federal) allowable project cost of more than \$500,000, **excluding moveable equipment costs**.

Q2: Does Federal interest exist if I don't file a NFI?

A2: Grantees that are not required to file a NFI must be aware that the Federal Interest still exists irrespective of the filing of the NFI. For alteration/renovation projects less than \$500,000, the grantee shall maintain adequate documentation regarding protection of all Federal Interest. This will include communications with a lessor related to protecting such interest during the lease period, in accordance with the standard award terms and conditions. Such documentation should be available for subsequent review.

Q3: Will HRSA take a subordinate position to existing mortgage holders and lenders on potential debt financing for projects?

A3: HRSA's NFI is subordinate to all pre-existing mortgages or obligations recorded against the property. Also, the NFI is also subordinate to any pre-existing loans and obligations identified by the grantee in the grant application as sources of financing for the project. Future modifications to existing mortgages and new mortgages will require HRSA review and prior approval.

Q4: The grant award requires that the facility owner file a NFI against a facility deed. What if the owner wants to secure additional mortgages, lease the facility to an entity that does not provide healthcare, or sell the facility?

A4: A NFI is essentially a lien that protects HRSA's financial and public interests in the real property being used to deliver health care services. After a NFI is filed against the property, activities such as new mortgages, selling the facility, or leasing the facility to an entity that does not provide healthcare, requires prior approval from the HRSA. The NFI will not affect existing mortgages or modifications being made to the facility.

Prior approval must come in the form of a written request from the grantee to HRSA, either by letter or by email, with the following information:

1. What is the action that the owner wants to undertake (new loan, refinancing, expansion, sale, etc.)?
2. What is the grantee or owner requesting from HRSA (permission to secure a new loan, transfer to another site, etc.)?
3. If applicable, details of the project financing (the combination of loans and internal funding), or proposed sale (whether there is an identified buyer, the proposed sale price).
4. Copy(s) of all HRSA NFIs, associated Notice(s) of Grant Award, and/or funding information associated with the NFI. A copy of the deed, with a legal description of the property, to which the Federal Interest is attached.
5. Appraised value of the property at the time of project completion.
6. Terms of the proposed loan, i.e., interest rate, period of loan, amortization schedule.
7. Last three years of audited Financial Statements.

Reviewing Federal Interest requests takes time and HRSA requests patience and cooperation in the process. Providing detailed requests and supporting documentation up front will aid in expediting reviews.

Q5: Will the value of the Federal interest change over time, especially as the useful life of the renovation/alteration expires?

A5: Each alteration/renovation project having a total (Federal and non-Federal) allowable project costs of more than \$500,000, excluding moveable equipment costs, is required to file a NFI.

HRSA acknowledges that the market value of ARRA supported renovations/alterations will change over time. HRSA will work with grantees to recognize the changing market value of improvements and other activities made by the grantee or property owner of the facility.

How to Record a Notice of Federal Interest (NFI)

General

1. Within the United States, except Hawaii, the NFI must be filed in the county or district office in which the facility is located. Often this is the County Court Clerk, Probate Office or the Register of Deeds. In the State of Hawaii, the NFI must be filed with the State Department of Land and Natural Resources, Bureau of Conveyances.
2. Please understand that local governments may have different formatting requirements. It is important to check with the office before filing, as it may save you an extra trip.
3. The county government will provide a copy of the recorded NFI with the county stamp, with a date, and either receipt information, or the final reference number (book and page, file, etc.).

NFI Document

1. The grant number must reference the appropriate Grant No, i.e., CXXCSXXXXX.
2. The description of the project should clearly describe the new construction project, or alteration and renovation. The NFI does not apply to moveable equipment (though equipment does have Federal Interest, as do alteration and renovation projects below the NFI filing threshold).
3. The legal description should be preferably the full legal description of the property in the deed. However, Township and Range, or Map, Block, and Lot number will be accepted. A physical address may be included, but does not constitute a legal description in itself.
4. The restrictive language of the template may not be modified.
5. The signatory of the NFI should be the owner of the property. This indicates the owner's consent to have a lien filed on the property.
6. The NFI must then be notarized and embossed with a notary seal.
7. The NFI must then be recorded with the county government.

Example of a Correctly Filed NFI
[Page 1]

STATE OF ALABAMA

A COUNTY

Correct Grant No. and
purpose of award.

NOTICE OF FEDERAL INTEREST

On June 25, 2009, the Health Resources and Services Administration awarded Grant Number [redacted] Inc. The grant provides funds for the construction of What Health Services' What Health Center, which is located on the land described below in A County, Alabama:

SEE EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE.

The Notice of Award for this grant includes conditions on use of the aforementioned property and provides for a continuing Federal interest in the property. Specifically, the property may not be (1) used for any purpose inconsistent with the statute of any program regulations governing the award under which the property was acquired; (2) mortgaged or otherwise used as collateral without the written permission of the Associate Administrator, Office of Federal Assistance Management (OFAM), Health Resources and Services Administration (HRSA); or (3) sold or transferred to another party without the written permission of the Associate Administrator, OFAM, HRSA. These conditions are in accordance with the statutory provisions set forth in the American Recovery and Reinvestment Act, Title 45 CFR part 74 or 92 as applicable, the HHS Grants Policy Statement, and other terms and conditions of award.

These grant conditions and requirements cannot be nullified or voided through a transfer of ownership. Therefore, advance notice of any proposed change in usage or ownership must be provided to the Associate Administrator, OFAM, HRSA.

Correct restrictive information

WHAT HEALTH SERVICE

By: X
X

Its President and CEO

Date: July 17, 2009

Signed by the
property owner (in this
case, the grantee)

Recorded with the County
Records Office

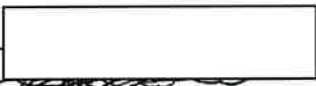
Recorded in RPB BK 23 PG 62, 07/22/2009 02:16:33 PM Recording Fee 15.50, TOTAL 15.50
JERRY C. POW, Probate Judge, A County, Alabama

Example of a Correctly Filed NFI
[Pages 2 and 3]

STATE OF ALABAMA
A COUNTY

On this the 17th day July, 2009, before me, the undersigned, a Notary Public for the State of Alabama at Large, personally appeared before me and is known to be the person who executed this instrument on behalf of said What Health Service, and acknowledged to me that he executed the same as the free act and deed of said Corporation.

Witness my hand and official seal.


Notary Public
My Commission Expires: 4/21/2012

Notarized

Recorded with
the County
Records Office

EXHIBIT "A"

A parcel of land 230' x 15' beginning at the NE corner of Lot #6, Blk 4, Bloc Height, Then W and S ROW of First Avenue, 230'(S), Then S 145', Then W 20', Then S 22'(S), Then E 15'(S), Then N 50', Then E 220', Then N with W ROW of School Street, 158' (S) to POB. West Bloc, Alabama Book 2 Page 37.

Correct Legal
Description

RPB 23 62



Western Nevada College

Date: _____

RE: Grant Award Number: 6 CE1HS52826-01-02

Unique Federal Award Identification Number: CE152826

Dear _____:

Enclosed please find the recorded Notice of Federal Interest (the "NFI") related to the referenced Grant Award and Unique Federal Award Identification Numbers, which are referenced above. Renovation of existing space to accommodate the expansion of the rural nursing program for which the grant was awarded will be located within the Pinon Hall Building (the "Building") at the WNC Fallon Campus (the "Campus"). The Building is located on an approximately 72.03 acre-parcel that makes up a portion of the Fallon Campus. Please see the attached aerial map indicating the location of the Building on the larger parcel.

It is also WNC's understanding that the Office of Federal Assistance Management (the "OFAM") is open to recognizing the changing market value of Project and will consider a reduction or removal of the NFI lien as improvement depreciation occurs, or when they are fully depreciated. Please be advised that when the grant funded improvements are fully depreciated, WNC plans to request removal of the NFI. WNC may also request a reduction in the amount of the NFI prior to full depreciation, for example, a 50% reduction in the NFI to reflect partial depreciation of the improvements and associated items.

WNC understands that this letter is not a binding agreement associated with this Grant Award, and our intent with this letter here is to communicate our future plans, to assist with clarity and collaboration related to the future modification and/or removal of the NFI.

We very much appreciate your assistance and ongoing cooperation in this matter. Please contact us with any questions or concerns.

Sincerely,

Dr. J. Kyle Dalpe
President
Western Nevada College

AMENDMENT TO LEASE

This Amendment to Lease (this "Amendment to Lease"), with an effective date of _____, 2024, is entered into by and between the County of Churchill, a political subdivision of the State of Nevada ("Lessor"), and the Board of Regents of the Nevada System of Higher Education, on behalf of Western Nevada College ("Lessee," and together, with Lessor, the "Parties," and each individually a "Party").

WHEREAS, Lessor and Lessee are parties to a Lease, dated March 28, 1980 (the "Lease"), a copy of which is attached hereto as Exhibit "A," the terms of which are incorporated by this reference;

WHEREAS, Lessor has previously demised to Lessee, under the terms of the Lease, a leasehold interest in the property identified and legally described in the Lease, bearing Churchill County APN 1-191-20 (the "Property"), and Lessor has authorized Lessee to construct improvements on the Property ("Improvements"), as provided in the Lease and herein;

WHEREAS, Lessee is eligible for a grant in the amount of \$ _____ (the "HRSA Grant") from the U.S. Department of Health and Human Services, Health Resources and Services Administration ("HRSA"), which may enable Lessee to make substantial improvements and upgrades to the existing Improvements, which improvements and upgrades will run to the benefit of both Lessor and Lessee;

WHEREAS, Lessee's eligibility for the HRSA Grant is contingent upon Lessor and Lessee consenting to the recordation, in the official records of Churchill County, Nevada, of a Federal Interest (in the full amount of the HRSA Grant) both in the Property and in the Improvements (collectively, the "Property NFI" and the "Improvements NFI," respectively, and together the "NFIs"); and

WHEREAS, the respective Parties desire to amend the Lease to extend the term of the Lease, and to provide for the consent of both Parties to the recording of the respective NFIs;

NOW, THEREFORE, in consideration for the mutual covenants and agreement contained herein, Lessor and Lessee agree to amend the Lease as follows:

1. In lieu of the option to lease the Property for an additional term, the term of the Lease is hereby extended through December 31, 2037.
2. Notwithstanding any term to the contrary in the Lease, both Lessee and Lessor,

ATTACHMENT "E"

respectively, and each for itself, consents and agrees to the recording of the Improvements NFI, as provided above, which Improvements NFI shall be substantially in the form of the Attached Exhibit "B," which is incorporated by this reference. Such recording shall take place in the official records of Churchill County, Nevada, in such order as HRSA shall deem appropriate. Each of Lessee and Lessor shall reasonably cooperate with the other, and with HRSA, in the execution and recording of the Improvements NFI.

3. Notwithstanding any term to the contrary in the Lease, both Lessee and Lessor, respectively, and each for itself, consents and agrees to the recording of the Property NFI, as provided above, which Property NFI shall be substantially in the form of the Attached Exhibit "C," which is incorporated by this reference. Such recording shall take place in the official records of Churchill County, Nevada, in such order as HRSA shall deem appropriate. Each of Lessee and Lessor shall reasonably cooperate with the other, and with HRSA, in the execution and recording of the Property NFI.
4. Lessor consents and agrees to the improvements to the Property and the Improvements to be made with the proceeds of the HRSA Grant, according to the conditions and terms of the HRSA Grant.
5. Lessee shall comply with all terms and conditions of the HRSA Grant, including all use and reporting requirements, at its own expense. Lessee shall indemnify Lessor for any loss, cost, or damage resulting from a breach of the terms of the HRSA Grant by Lessee. Lessee's indemnity obligation is limited in accordance with NRS 41.0305 to NRS 41.039. Lessee will assert the defense of sovereign immunity as appropriate in all cases, including indemnity actions. Lessee's indemnity obligation for actions sounding in tort is limited in accordance with the provisions of NRS 41.035 to \$200,000.00 per cause of action.
6. On the tenth anniversary of this amendment, and annually thereafter, Lessee shall request a removal and/or reduction of the Improvements NFI and Property NFI to reflect partial depreciation of the improvements and property.
7. This Amendment to Lease may be executed by any number of counterparts which, taken as a whole, shall be deemed one instrument.

ATTACHMENT “E”

8. The execution of this Amendment to Lease by the respective Parties is conditioned on the prior approval of the governing board for each respective Party.
9. All other terms and conditions of the Lease remain in effect.

ATTACHMENT "E"

Wherefore, the Parties have entered into this Amendment to Lease and agree to be bound thereby:

APPROVAL RECOMMENDED:

COUNTY OF CHURCHILL:

By: _____

J. Kyle Dalpe, President
Western Nevada College

Date: _____

By: _____

Myles Getto, Chairman
Board of County Commissioners

Date: _____

THE BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION
On behalf of WESTERN NEVADA COLLEGE

ATTEST:

By: _____

Patricia Charlton, Chancellor
Nevada System of Higher Education

Date: _____

Pam Moore
Clerk to the Board

ii. Construction Project Narrative

Project Description

The following description applies to a construction project for the modernization/remodel of an existing building with equipment.

Physical location. Indicate if the property is leased or owned

Established in 1971, Western Nevada College (WNC) is a public college with its main campus in Carson City (population 58,993), located along the eastern front of the Sierra Nevada Mountain range just east of Lake Tahoe. Additional campuses are sited in Fallon (population 9,325) and Minden (population 3,409). WNC's Rural Nursing Expansion and Renovation Project will occur on WNC's Fallon Campus, located at 160 Campus Way, Fallon, NV 89406. The property consists of two parcels which have been owned by The Board of Regents of the Nevada System of Higher Education (NSHE) on behalf of WNC since 2006.

This is a single project within a single award and Community Project Funding/ Congressionally Directed Spending (CPF/CDS) grant funds will cover the entire renovation project.

WNC is known in the community for its strength in preparing students for careers in nursing and allied health occupations. Previously, the Fallon nursing program was housed in the Churchill County government building. However, in 2020, during the height of the pandemic, the County required use of that space for COVID-19 related purposes and WNC moved the nursing program to its Fallon Campus. The only available space displaced the College's academic skills center which provides tutoring and other student support services. This temporary space is a cramped area with insufficient and unsuitable learning spaces for a hands-on nursing program. For example, portable handwashing stations are currently used because of a lack of plumbing to provide running water. As a result, these sinks must be manually maintained by facilities staff which requires refilling the station with fresh water and used water to be emptied daily. Additionally, a nursing bed and other simulation lab equipment and hands-on teaching supplies are stored in a pull behind cargo trailer because of the lack of space.

As part of the overall program assessment during the most recent Nevada State Board of Nursing site visit (November 17, 2021), board staff noted the need for students to travel to Carson City, a more than one hour drive from Fallon, to use the simulation equipment on the main campus.

“The Fallon facility is limited as it relates to simulation. Expansion of the Fallon Lab and obtaining simulation equipment would eliminate the need [for students] to travel to Carson City.”

For these reasons, WNC identified a new nursing program location, Pinon Hall, one of three buildings on WNC’s Fallon campus. However, restrooms are designed for elementary students with low sinks and inoperable fixtures and existing classrooms are carpeted, which is unsanitary for a simulation lab.

WNC is planning to use appropriated funding to modernize/remodel and equip Pinon Hall, situated adjacent to the college’s biology laboratory, allowing synergy between the two programs that will be beneficial to student learning.

The building is owned by WNC and currently leased to Oasis Academy, a public charter school. (Copies of the property deeds are included with this application as an attachment.) Oasis Academy is relocating to a different location and WNC will convert the 7,632 square-foot Pinon building into a permanent instructional training space for its rural nursing cohort which serves Fallon and surrounding rural communities including Hawthorne (population 2,734) located 72 miles south of Fallon and Yerington (population 3,163) located 59 miles southwest of Fallon. WNC nursing students are able to complete many courses remotely but need to practice and demonstrate applied knowledge in-person.

Once completed, WNC will be able to increase nursing student capacity from 8 to 12 students per year and provide adequate space for nursing and allied health programs including phlebotomy, medical and nurse assistant training.

Describe the specific scope of activities and how it aligns with what the CPF/CDS funding was provided for, as applicable

The scope of this proposal is fully aligned with the CPF/CDS requested funds “to renovate classroom space on the Fallon Campus into a state-of-the-art nursing facility to accommodate instruction, simulation environments, as well as study and office space.”

• Purchases of moveable equipment items.

In addition to funding an extensive building renovation, WNC is also requesting movable equipment in the amount of \$436,970. The movable equipment is listed in the table below and includes tangible non-expendable items with a useful life of more than one year.

Rural Nursing Expansion and Renovation Project - Movable Equipment List			
Item Description	Unit Price	Quantity	Total Price
Student Bedside Simulation: To simulate acute and long-term care settings. Includes bedside computer desks, bedside computer and bedside desk chairs.	\$2,065	4	\$8,260
Sim baby	\$68,466	1	\$68,466
Resusci Junior QCPR wireless with Skill Pad reporter	\$4,276	1	\$4,276
Laerdal Sim Mom; includes three-year warranty	\$90,000	1	\$90,000
Laerdal Sim Man (2016 current one, set to expire life in 2024); includes three-year warranty	\$120,000		\$120,000
SimCapture	\$2,500	1	2,500
Furniture costs to equip six classrooms, six study and testing areas, and eight staff offices. The cost for furniture represents 10 percent of the construction cost line item which is commonly used for cost estimations.	\$7,173	20	\$143,460
Total			\$436,970

• **Creation of a new stand-alone structure or expansion of an existing structure to increase the total square footage.**

WNC will renovate and remodel an existing structure originally built in 1985.

• **Improvement and/or reconfiguration of the interior arrangements of an existing facility.**

Renovation will require improvements and reconfiguration of interior arrangements of an existing building - Pinon Hall - to create a conducive learning space for WNC's nursing and allied health programs.

As part of the remodel, WNC will create a nursing program lab space to simulate acute care and long-term care settings. The program utilizes a video camera and sound

system (SimCapture) to enable nursing faculty to produce live or recorded patient scenarios to better prepare students to meet instructional outcomes. Nursing program faculty will be able to manage, record, and assess student simulation training, without interfering with direct student contact time. The system records audio, video, annotations, patient monitors, and simulator data in a single web-based interface for later review by students and/or faculty. Nursing simulation provides an opportunity for students and qualified nurses to practice responding to various clinical situations and then to reflect on how they performed, what went well and what needs to be changed. This is the key to developing clinical skills and judgment. Faculty will be able to observe student performance by being present in the room with the student, or behind a mirrored window.

- **Installation of permanently affixed equipment.**

WNC's project scope does not include Installation of permanently affixed equipment.

- **Modifications and/or repairs to the building exterior (including windows).**

An initial review of the exterior building does not require modifications and/or repairs.

- **Heating, ventilation, and air-conditioning (HVAC) modifications (including the installation of climate control and duct work).**

The project will include minor duct work relocation.

- **Electrical upgrades and/or plumbing work.**

Relocation of electrical supply is needed to complete the renovation. The project also requires a complete rest room remodel, which includes some plumbing work. Plumbing and installation of sinks for the nursing simulation lab is also needed.

- **Identify the project activities in terms of dimensions, square footage, total ground disturbance (if applicable) to be impacted.**

Pinon Hall is a 7,632 square-foot space. A floor map of the building is included in WNC's application. Surrounding ground will not be disturbed.

- **Describe the proposed method of construction, such as design/build, construction management at risk, by the applicant's own forces, or whether a third- party construction manager will be used.**

WNC will use its own forces to manage this construction project and is planning to hire a part-time CPF/CDS Project Manager to oversee the modernization/remodel project. Construction management will not be at risk.

Initially, this project will be managed by WNC's Interim Director of Facilities & Project Management until a CPF/CDS Project Manager is hired. WNC is planning to use CPF/CDS funding to cover administrative and legal expenses including WNC staff salaries that are directly related to the administration of the technical aspects of the proposed project, such as costs associated with the environmental and historic preservation effects of the proposed project, obtaining public input, and remodel bid advertising.

WNC is aware that as a CPF/CDS recipient, the College must adhere to the National Environmental Policy Act (NEPA) as well as the National Historic Preservation Act (NHPA) requirements and is prepared to submit required documentation to HRSA for review and approval before any physical site preparation, demolition, alteration and renovation related to the project occur.

Timeline

Nursing Expansion Construction Timeline			
Start	Finish	Activities/Steps required to complete the project	Responsible staff
09/2023	09/2024	Planning - Architectural design and drawings	WNC Director of Facilities & Project Management/WNC CPF/CDS Project Manager (to be hired)
09/2023	09/2024	Design - WNC will follow design standards for making the facility accessible to, and usable by, the physically handicapped.	WNC Director of Facilities & Project Management/WNC CPF/CDS Project Manager

Start	Finish	Activities/Steps required to complete the project	Responsible staff
10/2024	04/2025	Obtaining required permits or variances - WNC will obtain local/state permits or variances as required.	WNC CPF/CDS Project Manager
10/2024	04/2025	Meeting Federal environmental and historic preservation - WNC is prepared to submit required documentation to HRSA for review and approval before any physical site preparation, demolition, alteration and renovation related to the project occur.	WNC CPF/CDS Project Manager
05/2025	08/2025	Soliciting bids and awarding of contracts - All publications will include the following statement: "This remodel project is supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) as part of an award totaling \$2.314,000."	WNC CPF/CDS Project Manager
09/2025	09/2026	Alteration/renovation or construction period - Oversight will be provided throughout all phases of the modernization/remodel.	WNC CPF/CDS Project Manager
09/2013	09/2026	Expected project completion date - The expected project completion date is September 2026, three years after HRSA's award notification.	WNC Director of Facilities & Project Management/WNC CPF/CDS Project Manager

Budget Justification

Western Nevada College's Fallon Rural Nursing project funding will be used to completely renovate the interior spaces of a 7,632 square-foot building - Pinon Hall - one of three buildings on WNC's Fallon campus. The interior space of this 1985 building will be remodeled to support expansion of the Fallon nursing program, classroom space will be updated to accommodate teaching/testing equipment, and public facilities will be renovated and updated for building code compliance. The entire cost of this project will be covered by CPF/CDS and does not include unallowable costs.

	ALLOWABLE COSTS	OTHER ALLOWABLE COSTS	UNALLOWABLE COSTS
Line 1 Administrative and legal expenses	\$231,400 is allocated to pay a project manager (.51 FTE) and to cover legal expenses.	N/A	N/A
Line 2 Land, structures, right-of-way, appraisals, etc	No costs are anticipated.	N/A	N/A
Line 3 Relocation expenses and payments	WNC currently leases Pinon Hall, The current tenant will be vacated in June 2024. No costs are anticipated for relocation expenses or payments.	N/A	N/A
Line 4 Architectural and engineering fees	\$90,246 is the cost for the architectural and engineering fees, which will cover the following: structural, civil engineering, mechanical and electrical design; bid construction documents (plans and specifications); and assistance during the construction bidding.	N/A	N/A
Line 5 Other architectural and engineering fees	No other architectural or engineering fees are anticipated for this project.	N/A	N/A

Line 6 Project inspection fees	\$30,082 equals the cost to cover inspections by the local department of building construction, shop drawing and submittal review, contractor payment certification, final inspection; and project close out.	N/A	N/A
Line 7 Site work	No site work is anticipated. WNC's project is limited to interior modernization/remodel.	N/A	N/A
Line 8 Demolition and removal	\$17,989 represents the total cost associated with removal of a portion of interior walls, removal of portions of the existing partitions, flooring, bathroom fixtures, and lighting.	N/A	N/A
Line 9 Construction	\$1,434,680 is the total construction cost to renovate the existing 7,632 square-foot building. The costs include installation of some new doors, new flooring, bathroom and light fixtures, electrical, installation of washing stations in the nursing lab space, and interior painting throughout the facility. No structural modifications will occur.	N/A	N/A
Line 10	\$436,970 will be used to procure nursing program movable equipment and furniture.	N/A	N/A
Line 11 Miscellaneous	WNC does not anticipate miscellaneous costs	N/A	N/A
Line 12 SUBTOTAL	\$2,241,367 (The sum of Lines 1 and 11).	N/A	N/A
Line 13— Contingencies	\$72,633 equals 5% of Lines 7, 8, and 9 and is included in the budget to cover contingencies.	N/A	N/A

Line 14— SUBTOTAL Line	\$2,314,000 (The sum of Lines 12 and 13).	N/A	N/A
Line 15—Project (program) income	None	N/A	N/A
Line 16 TOTAL PROJECT COSTS	\$2,314,000	N/A	N/A
Line 17 Total grant funding requested	\$2,314,000	N/A	N/A