DRAFT: FY 2013 Annual Capital Improvement Plan

June 5th, 2012 (*Dollars in millions*)

OHIO UNIVERSITY

	Capital Projects		Estimated Budget	Debt	State Capital	O & M	Public Private	Gifts Grants	*Deferred Maintenance Reduction*
1	**Lausche Heating Plant Replacement**		**100.0**	-	-	-	100.0	-	*2.1*
2	**Performance Contract**		**33.0**	33.0	-	-	-	-	*10.0*
3	**Indoor Multi-Purpose Facility**		**12.5**	10.5	-	-	-	2.0	*0.0*
4	**Violet L. Patton Center For Arts Education**		**8.0**	-	-	-	-	8.0	*0.0*
5	**Athena Classroom Renovation-Phase 2**		**0.5**	0.5	-	-	-	-	*0.0*
6	**Clippinger Hall-Mechanical Renovation**		**5.5**	5.5	-	-	-	-	*5.5*
7	**Swing Space Implementation**	**$16.9M**	**See Below:**						
7a	Bromley Hall Academic Relocations		2.5	2.5	-	-	-	-	*0.5*
7b	Lease Space Up fits for Academic Relocations		5.5	5.5	-	-	-	-	*0.0*
7c	West Union Street Office Center Relocations		0.18	0.18	-	-	-	-	*0.1*
7d	Tupper Hall Up fit		7.0	7.0	-	-	-	-	*3.5*
7e	Lindley Hall Up fit (also see 9e below)		1.75	1.75	-	-	-	-	*0.3*
8	**Planning Funds for FY2014**	**$4.8M**	**See Below:**	**-**	**-**	**-**	**-**	**-**	
8a	OU-HCOM Cleveland design		1.0	-	-	1.0	-	-	*0.0*
8b	Scripps College of Communication Phase 2, design		1.0	1.0	-	-	-	-	*0.0*
8c	McCracken Rehabilitation, design		2.6	2.6	-	-	-	-	*0.0*
8d	Ridges Master plan		0.2	0.2	-	-	-	-	*0.0*
9	**Deferred Maintenance "Keep-Up" Projects: Athens**	**$18.6M**	**See Below:**						
9a	West Green Roof Replacements		1.1	-	1.1	-	-	-	*Keep-Up*
9b	Alden Library Repairs		2.7	-	2.7	-	-	-	*Keep-Up*
9c	Clippinger/Accelerator Bldg. Roof Repairs		0.55	-	0.55	-	-	-	*Keep-Up*
9d	Convocation Center Roof/Ramp Repairs		1.3	-	1.3	-	-	-	*Keep-Up*
9e	Lindley Steam Piping Replacement		1.5	-	1.5	-	-	-	*Keep-Up*
9f	Memorial Auditorium Repairs		1.5	-	1.5	-	-	-	*Keep-Up*
9g	Exterior Painting/Woodwork Repair		0.75	-	0.75	-	-	-	*Keep-Up*
9h	Peden Concrete Restoration		0.75	-	0.75	-	-	-	*Keep-Up*
9i	Pruitt Field Turf Replacement		1.1	-	1.1	-	-	-	*Keep-Up*
9j	Campus Lighting Improvements		0.5	-	0.5	-	-	-	*Keep-Up*
9k	Cutler & Wilson Halls Waterproofing		0.52	-	0.52	-	-	-	*Keep-Up*
9l	Campus Roadway Improvements		0.75	-	0.75	-	-	-	*Keep-Up*
9m	Stocker Air Handling Unit Replacements		0.5	-	0.5	-	-	-	*Keep-Up*
9n	Other Deferred Maintenance Projects under $500,000		5.1	-	5.1	-	-	-	*Keep-Up*
10	**Softball Lighting**		**0.25**	-	-	0.25	-	-	*Keep-Up*
11	**Peden Turf Replacement**		**0.80**	-	-	0.80	-	-	*Keep-Up*
12	**General Fund Athens: Safety Projects**	**$1M**	**See Below:**	**-**		**-**	**-**	**-**	
12a	Elimination 15 Passenger Vans		0.275	-	-	0.275	-	-	*0.0*
12b	Other Safety Projects		0.725	-	-	0.725	-	-	*0.5*
13	**Deferred Maintenance Projects: Regionals**		**6.8**	-	3.8	3.0	-	-	
13a	Shoemaker Center Repairs, Chillicothe								*Keep-Up*
13b	Shannon Hall Renovations, Eastern								*Keep-Up*
13c	Herrold Hall Renovations, Lancaster								*Keep-Up*
13d	Deferred Maintenance "Keep-Up" projects								*Keep-Up*
14	**High Visibility Grounds Project, Athens Campus**		**2.0**	-	-	2.0	-	-	
14a	College Green Gateways, Sidewalks, Amphitheater Rehab								*0.0*
14b	Emeriti Park Lighting, Pond Dredging, and Irrigation								*0.0*
14c	Richland Avenue Sidewalks and Landscape								*0.0*
14d	Lindley Park Rehabilitation								*0.0*
15	**Housing Development Plan**	**$110.9M**	**See Below:**						
15a	Residence Hall Construction, Phase 1		82.4	82.4	-	-	-	-	*6.6*
15b	Wolfe Street Demolition		1.1	-	-	1.1	-	-	*2.3*
15c	South Green Parking Replacements		0.75	-	-	0.75	-	-	*0.0*
15d	South Green Utility Infrastructure		1.1	-	-	1.1	-	-	*0.0*
15e	Bush Hall Rehabilitation		12.0	-	-	12.0	-	-	*6.0*
15f	Minor Capital Deferred Maintenance Projects		4.50	-	-	4.50	-	-	*Keep-Up*
15g	Jefferson Hall Renovation Planning		3.00	-	-	3.00	-	-	*0.0*
15h	Bromley Hall Renovations		6.0	-	-	6.0	-	-	*3.0*
16	**Culinary Services Improvement Plan**	**$7.5M**	**See Below:**						
16a	Nelson Commons, Phase 2		6.5	-	-	6.5	-	-	*3.25*
16b	Minor Capital Deferred Maintenance Projects		1.0	-	-	1.0	-	-	*Keep-Up*
17	**IDP Classroom Equipment: Athens and Regional**		**0.54**	-	0.54	-	-	-	*0.0*
	Total FY 2013 Capital Activity		**$ 329.1**	**$ 152.6**	**$ 23.0**	**$ 44.0**	**$ 100.0**	**$ 10.0**	***43.6***

FY 2013 Annual Capital Plan

DRAFT: FY 2013 Annual Capital Improvement Plan

June 5th, 2012 (*Dollars in millions)*

OHIO UNIVERSITY

Biennium: FY 2013 and FY 2014

Beginning of Fiscal Year Back-log Total ***436.0***

	Capital Projects	Estimated Budget	Debt	State Capital	O & M	Public Private	Gifts Grants	*Athens General Fund Deferred Maint.*
1	College of Communication Phase 1-Funded FY12	19.0	14.1	2.4	-	-	2.5	*3.7*
2	College of Communication Phase 2-FY13 Planning/FY14 Const.	17.4	12.0	-	-	-	5.4	*5.7*
3	OU-HCOM Columbus-FY12 Planning	24.0	24.0	-	-	-	-	-
	General Fund Athens: Complete Building Renovation	**60.4**	**50.1**	**2.4**	**-**	**-**	**7.9**	***9.4***
4	Violet L. Patton Center For Arts Education	8.0	-	-	-	-	8.0	-
5	Aviation Training Aircraft Storage Hangar-FY 14 Const.	2.2	-	-	-	-	2.2	-
6	Lausche Heating Plant Replacement	100.0	-	-	-	100.0	-	*2.1*
7	Indoor Multi-Purpose Facility	11.1	-	-	-	-	11.1	-
	General Fund Athens: New Facilities	**121.3**	**-**	**-**	**-**	**100.0**	**21.3**	***2.1***
8	Tupper Hall Partial (A)	4.5	4.5	-	-	-	-	*2.3*
9	President Street Academic Center (PSAC)-New Swing Plan	12.5	12.5	-	-	-	-	*6.5*
	General Fund Athens: Construction Swing Space	**17.0**	**17.0**	**-**	**-**	**-**	**-**	***8.8***
10	Ridges Master plan	0.2	0.2	-	-	-	-	-
11	Athena Classroom Renovation-Phase 2	0.5	0.5	-	-	-	-	-
12	Clippinger Hall-Mechanical Renovation	5.5	5.5	-	-	-	-	*5.5*
	General Fund Athens: Major Building Systems Upgrade	**6.2**	**6.2**	**-**	**-**	**-**	**-**	***5.5***
13	Performance Contract	33.0	-	-	-	33.0	-	*10.0*
14	Deferred Maintenance "Keep-Up"-Partial FY13/Partial FY14	35.5	12.1	23.4	-	-	-	*NA*
	General Fund Athens: Basic Deferred Maintenance Projects	**68.5**	**12.1**	**23.4**	**-**	**33.0**	**-**	***10.0***
15	Safety Projects	5.0	2.5	-	2.5		-	*3.8*
	General Fund Athens: Safety Projects	**5.0**	**2.5**	**-**	**2.5**	**-**	**-**	***3.8***
16	Chilled Water Expansion-Funded FY12	6.0	6.0	-	-	-	-	*2.0*
17	Instructional and Data Processing Equipment (IDP-Classrooms)	1.1	-	1.1	-	-	-	*NA*
18	OIT Infrastructure -Funded FY12	7.0		-	7.0		-	*NA*
	General Fund Athens: Infrastructure	**14.1**	**6.0**	**1.1**	**7.0**	**-**	**-**	***2.0***
19	Regional Campuses Major Renovations	11.6	10.7	0.9	-		-	*NA*
20	Regional Campuses: IDP-Classroom Equipment	0.3	-	0.3	-	-	-	*NA*
21	Regional Campuses: Deferred Maintenance "Keep-Up"	4.0	-	4.0	-		-	*NA*
	General Fund: Regional Campuses	**15.9**	**10.7**	**5.2**	**-**	**-**	**-**	***0.0***
22	Housing Re-Development: Phase I	130.0	90.0	-	40.0		-	*NA*
23	Housing Minor Capital-"Keep-Up"	6.0	-	-	6.0		-	*NA*
	Housing Total	**136.0**	**90.0**	**-**	**46.0**	**-**	**-**	***0.0***
24	Culinary Services-Major Renovations-Partially Accomplished	39.1	-	-	39.1		-	*NA*
25	Culinary Services-"Keep-Up"	2.1	-	-	2.1		-	*NA*
	Culinary Services Total	**41.2**	**-**	**-**	**41.2**	**-**	**-**	***0.0***
	Total FY 2013 & FY 2014 Capital Activity	**485.6**	**194.6**	**32.1**	**96.7**	**133.0**	**29.2**	***41.5***

Project Notes:

1. State Funding for this project is from a previous State Capital Appropriation and is already in hand.
8. Tupper Partial Renovation provides construction swing space for upcoming projects. This will bring square footage back online.
9. PSAC Renovation would be more complete and provide construction swing space for upcoming projects. This will bring square footage back online.
10. Ridges Master Plan will help develop strategies for retention/re-use/demolition of the existing building complex.
18. OIT Network Infrastructure Project-2nd Phase.

Projects 4,5, 6 & 7 will add approximately 150,000 GSF to the campus GSF total.

Project Appears in Annual Capital Plan

Six Year- Capital Improvements Plan

Interoffice Communication-----*Draft June 6, 2012*

Date: June 6, 2012

To: The President and Board of Trustees

From: Stephen T. Golding
Vice President for Finance and Administration, CFO and Treasurer

Re: **FY 2013 Capital Improvement Plan**

CONTEXT OF FY2013-FY2018 SIX YEAR CAPITAL PLAN:
Enclosed please find a specific FY 2013 Capital Improvement Plan for approval by the Board of Trustees at its June 2012 meeting. In November of 2011, the Board of Trustees approved the FY2013 – FY2018 Six Year Capital Plan. The plan was presented in the format of three biennia with specific projects noted in each biennium. The total cost of this aggressive six year capital plan cost is $977.5 M; and $567.5 M is shown funded from University debt issuance.

At time of approval it was explained that a specific one year plan within the context of the six year plan would be presented annually. This FY 2013 is the first of these annual plans to be presented.

FY2012 WORK IN PROGRESS:
Three projects identified in the six year plan were launched early and were funded the FY2012 Series Bond Issuance. These are considered works in progress and are not relisted in the FY2013 Capital Improvement Plan. They include: 1.) Scripps College of Communication, Phase 1 for which construction is now underway, 2.) Chilled Water Expansion project for which bid documents are being prepared, and 3.) rehabilitation of Galbreath Chapel which is in schematic design. In addition, $3M of local reserves was identified for urgent safety related projects. Approximately half of those safety projects have been completed, and most others are being designed and bid for implementation this summer.

STRONG ACADEMIC PROGRAM NEEDS:
As has been shared with the Board of Trustees over the past few months, the University faces difficult challenges with regard to its facilities. Growth of academic programs continues to generate need for additional space, and some existing space has become programmatically outdated. The number and size of academic programs is expanding. There is an increase in demand for research and collaboration spaces. Today's academic teaching models require more space than the standard classroom model that has been used in the past. There is a lack of move-in ready space for immediate program expansion. The University has nearly 450,000 gross square feet of inactive and for the most part, poorly organized storage space that would take significant capital investment to meet academic program needs.

There are many examples of the strong academic program needs, and they continue to be analyzed and incorporated into long term space and capital planning.

- The College of Business has an estimated additional need of 45,000 gross square feet. The college serves 2400 students in a building designed for 1600. There is an increase particularly in graduate and entrepreneurial centers and programs.

- The College of Education has an estimated additional need of 50,000 gross square feet as projected from the program being developed for the McCracken Hall Rehabilitation and Addition. Programs have been shifted from another college, and other programs have been added to the curriculum.

- The College of Health Sciences and Professions has an estimated additional space need of 40,000 gross square feet. The Athens campus enrollment in the College has grown by 28% over the last two years. Enrollment in all programs in Grover Center has more than doubled over the last decade. Online enrollments have grown from slightly over 300 to nearly 4,000 in three years. Several programs face accreditation problems due to faculty teaching resources.

- The Ohio University Heritage College of Osteopathic Medicine has a 200,000 gross square foot need as illustrated in the extension campus initiatives in Columbus and Cleveland, and planned expansion at the Athens campus. The college's extension campus plans respond to the increased demand for family practitioners in metropolitan areas. Research and outreach programs are expanding with focuses on Diabetes and Musculoskeletal and Neurological programs. The unprecedented Osteopathic Heritage Foundation grant helps facilitate the creation of new space.

- The College of Arts and Sciences has a need for quality research and teaching space for the physical sciences of about 80,000 gross square feet. Other colleges depend on chemistry and biology for degree requirements. The Clippinger Lab Building is over 40 years old and is difficult to improve without disruption to teaching and research. A new research building is needed.

- Ohio University's international enrollment is increasing which feeds the need for expansion of the Ohio Program of Intensive English (OPIE.) OPIE is currently located in seven different facilities. Approximately 16,000 gross square feet is needed to accommodate growth, and the program would be more efficient to deliver in consolidated facilities.

DIFFICULT CHALLENGES:

A cycle of State Appropriations was essentially skipped, and the last capital bill was 75% of the previous one. Important planned projects were delayed. The University is challenged to keep up its buildings and deferred maintenance continues to grow. Our housing stock is deteriorating faster than it can be rehabilitated and does not offer all the options students want. The University's coal fired heating plant is near the end of its useful life and meeting future regulatory restrictions will be difficult. The disrepair and disruption is noticed by our faculty, staff, and students, as well as prospective students and their parents.

Even as resources are identified, the challenge of developing swing space is complex and can be disruptive to teaching and research. Building failures occur before planned project solutions can be completed.

FY2013 CAPTIAL IMPROVEMENT PLAN:

Capital planning of new structures, renovations, and basic renovations for deferred maintenance in the past was largely determined by the amount of state appropriation funding available in a given time period. Strategic utilization of University debt is the key resource in the Six Year Capital Improvement Plan as well as the specific FY 2013 Capital Improvement Plan.

This specific FY2013 annual Capital Improvement Plan embodies all of the elements of the Six Year plan:

- **Addresses top programmatic needs:** This is a robust plan with academic program expansion and improvement of academic facilities at the heart of it. Planning and design is proposed for the Second Phase of the Scripps College of Communication project, the McCracken Rehabilitation and Addition; and the OUHCOM Cleveland project. Remaining design and construction is proposed for a Multi-Purpose Center, the second phase of classroom renovation in the Athena Theatre, and another phase of mechanical and electrical renovations within Clippinger Hall.

- **Utilizes debt issuance for major rehabilitation of general fund buildings that will include programmatic reconfiguration:** Debt funding is a major resource in the funding of almost all projects noted above. $152.6 of debt is illustrated in the FY 2013 Capital Improvement Plan**.**

- **Utilizes anticipated state appropriations to provide projects to adequately keep up our newer general fund buildings and tackle deferred maintenance projects in our older general fund buildings**. $18.6M has been appropriated for deferred maintenance projects on the Athens campus and $3.8M has been appropriated for deferred maintenance for the regional campuses. $3M has been identified locally to supplement the state appropriations on the regional campuses. $1M has been identified locally for urgent safety projects on the Athens campus. $1,050,000 has been identified locally to replace the turf at Peden Stadium and to add lighting to the softball field**.**

- **Utilizes swing space so we can vacate buildings and do a better job of upgrading systems**. An unanticipated component of the swing space need has developed from deteriorating steam lines in Lindley Hall. Occupants need to be relocated before next heating season in order to repair systems. Modifications to space in Bromley Hall, West Union St. Office Center, and leased space on Court Street are now key components of the swing space plan in order to vacate Lindley. There are also emerging issues in Ridges Building #20 which will require relocation of occupants most likely to leased space. The swing space necessary to accommodate the McCracken renovation is now planned to be use of Lindley Hall and Tupper Hall.

- **Leverages gift and grant funding:** The Patton Arts and Education Center is expected to be fully funded by a generous gift. Gift funding is significant for the Multi-Purpose Facility and the McCracken Rehabilitation and Addition;

- **Utilizes Residential Housing Auxiliary debt to upgrade housing stock and offer more options:** The first phase of construction moves forward in FY2013 utilizing debt as the fund source. Other housing initiatives continue through the use of auxiliary reserves: Demolition of Wolfe/Ullom Apartments and replacement of displaced parking to prepare for the first phase of housing construction, renovation of Bush Hall on East Green, and design for the renovation of Jefferson Hall on East Green. In addition, the Culinary Services Auxiliary will continue improvement with the second and final phase of Nelson Commons through auxiliary reserve funding.

- **Utilizes performance contracting to implement energy conservation measures with payment from central utility account over a 15 year payback period**: The project has carried a $33M maximum in the FY2013-FY2017 Six Year Capital Plan and the FY2013 Capital Improvement Plan as the engineering audits have been completed and the financing identified. A specific energy conservation performance contract is proposed for approval at the June Board meeting**.** The capital cost of the project as identified by the selected performance contracting company is $28,321,170. Financing at 2.7% is anticipated through a combination of University and Ohio Air Quality Commission Bonds.

- **Utilizes public/private partnership to fund a Heating Plant Replacement**: A preferred approach to location, fuel, and engineering design has been developed and previewed to the Board of Trustees. Eight firms have expressed interest in investing as a partner in the Heating Plant Replacement through a Request for Information process. Various models will continue to be investigated over the next several months, and a Request for Proposal process will be conducted to identify the best partner and implementation structure.

A HIGH VISIBILITY GROUNDS

An element that has been mentioned at previous Board of Trustees meetings, but was not specifically called out in the Six Year capital plan, has been added to the FY 2013 Capital Improvement Plan. $2M has been identified locally to improve the condition and look of high profile grounds on campus. The High Visibility Grounds Project will focus on: 1.) The College Green and the areas surrounding it; 2.) The area connecting Baker University Center and Emeriti Park; and 3.) The main vehicular entry to campus including Richland Avenue sidewalks, Bicentennial Park and the entries to Peden Stadium and the Convocation Center.

Capital project work includes, but is not limited to, tree canopy trimming, restoration of campus gates, sidewalk replacement, pond dredging, and additional lighting. The capital project elements will be accompanied by specific operational funding of a team of dedicated workers.

DEFERRED MAINTENANCE PROGRESS:

The following spreadsheet outlines each project or groups of projects in the FY2013 Capital Improvement Plan and the breakdown of their proposed fund sources. Also included in the last column of the spreadsheet is an estimated amount for each project that would reduce the deferred maintenance backlog. It is important to note that the deferred maintenance backlog is continuously growing, and investment is needed just to "keep up" and reduce the rate of growth. For this reason, many deferred maintenance projects on this list are referred to as "Keep Up" projects and show no reduction in the deferred maintenance backlog. Only significant rehabilitation projects produce significant reduction in deferred maintenance backlog. The FY2013 Capital Improvement Plan, when fully implemented is expected to reduce the deferred maintenance backlog by $43.6M.

FUTURE APPROVALS:

Requests for approval of individual projects within the capital plan over a threshold of $500,000 total project cost will be presented to the Board of Trustees at the appropriate time and the specific amount of funding and sources will be verified at that time as well. Request for approval of necessary bond issuances to accomplish the plan will also be presented to the Board of Trustees for approval at future meetings.

A resolution is attached to facilitate Board of Trustees approval of the FY2013 Capital Improvement Plan. Please let me know if you have questions.