

Capital Improvements Supporting Data

The purpose of the Capital Improvements element is to evaluate the need for public facilities as identified in other campus master plan elements; to estimate the cost of improvements for which the University has fiscal responsibility; to analyze the fiscal capability of the University to finance and construct improvements; to adopt financial policies to guide the funding of improvements; and to schedule the funding and construction of improvements in a manner necessary to ensure that capital improvements are provided when required based on needs identified in the other campus master plan elements.

1. Inventory and Analysis of Existing Conditions

1.a. Facility Needs

1.b. Existing and Anticipated Revenue Sources and Funding Mechanisms

As a general rule, Florida State University receives funding from the State of Florida for capital improvements in various appropriation types including Public Education Capital Outlay (PECO), Capital Improvement Trust Fund (CITF), Courtelis Challenge Grant, and non-PECO appropriations such as General Revenue. The University also utilizes grant funding for various types of improvements.

Auxiliary University organizations, such as the Business Services Department, Intercollegiate Athletics, and the University Housing Department, utilize revenues collected from their operations to complete capital improvements or use those revenues to bond the necessary funding for these purposes. The renovation of Landis Hall, a University residence hall, and Parking Garage Number Four are examples of recently completed bonded projects.

Another source of revenue for accomplishing capital improvements is derived from private donations, though this source of funding is usually a component of the Courtelis Challenge Grant program in which private funds are matched on an equal basis with state funds. A portion of the capital funding for the Panama City Academic Center and the Human Performance Laboratory on the Main Campus was provided through the Courtelis program.

Another source of revenue for capital improvements is the State's Concurrency Trust Fund though these funds are only utilized to meet the concurrency and mitigation costs of university development.

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In large part, the State of Florida provides Plant Operation and Maintenance (PO&M) funding for university facilities that are categorized as containing Educational and General (E&G) space. During the current fiscal year (FY 2007-08), the University's E&G budget allocation for the Facilities Department was approximately \$47.8 million. In some cases, PO&M funding is provided for in a grant award. The cost of operating and maintaining auxiliary space is derived from auxiliary revenues.

1.d. Current University Practices that Guide the Timing and Funding of Construction

The timing and funding of state funded projects is ultimately determined by the Legislature through its annual appropriation process. At the Florida State University level, the timing and funding of new construction/remodeling/renovation projects and other capital improvements is realized primarily through the preparation of the University's annual Fixed Capital Outlay Budget Request. The preparation of this request involves several steps that culminate in the development of a prioritized list of capital improvements (this list is commonly referred to as the Five Year PECO List). At Florida State University, two University groups, the Fixed Capital Outlay Subcommittee, and the Campus Development and Space Committee and their respective staffs develop the Five Year PECO List. These groups prepare and recommend a draft list of priorities, based in large part upon the previous year's list, to the President of the University for his review and approval prior to submittal to the University's Board of Trustees for their consideration. Once approved by the Board, the list is submitted to the Board of Governors. The Facilities Planning Section of the Facilities Department prepares the Fixed Capital Outlay Budget Request.

Because the timing of projects funded by Capital Improvement Trust Funds is less certain, the Division of Student Affairs and the Student Government Association maintains a less specific list of capital improvements. The Division of Student Affairs has instituted a CITF Long Range Planning Committee to coordinate the development of the future CITF funded projects. It is expected that recommendations concerning the prioritization of CITF funded projects will be considered by the Campus Development and Space Committee in the annual preparation of the University's fixed capital outlay budget.

The timing of projects funded by auxiliary funds is dependent primarily on financial opportunities. Grant funded projects are dependent on the successful awarding of grant applications; subsequently, the timing of these types of projects is more than likely the most difficult to determine.

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2. Future Needs/Requirements

2.a. Analysis of Current University Practices that Guide the Timing and Location of Increases in the Capacity of University Facilities.

A significant portion of facilities at Florida State University is operating at full capacity. Within these facilities, space, such as classrooms, offices, and labs, function with more people than they were originally designed to accommodate. Accordingly, the University is continually seeking methods of alleviating space pressures either by means of expanding buildings or through remodeling efforts to make more efficient use of available space. The development of such strategies and their subsequent implementation are part of the mission of the University's Campus Development and Space Committee and its various subcommittees. Those recommendations concerning the timing and location of construction, extensions, or increases in University facilities developed by the Campus Development and Space Committee are forwarded to the President who exercises the ultimate authority on these types of decisions.

Increases in the capacity of infrastructural systems such as the University's central chilled water and steam system as well as expansion of distribution lines are planned and programmed by the Facilities Department. Future utility capacity and distribution needs are programmed into specific utility system improvements projects or programmed as part of individual new construction/renovation/remodeling projects.

2.b. Estimate of the Cost of the On-Campus Capital Improvements

The spreadsheets contained in the Supplement to the Capital Improvements Element provide estimates of the cost of each of the on-campus capital improvements identified in the other plan elements. These spreadsheets are based primarily on the University's Five Year Capital Improvement Plan, a component of the University's Fixed Capital Outlay Budget Request, which was submitted in August of this year.

Funding requests are listed in the traditional sequential manner: planning, construction, and equipment. The priorities listed in the first five years of this ten-year plan are based in large part upon the University's Five Year PECO List. These projects and those identified in years six through ten are prioritized based upon the best current available information. Because of the uncertainties associated with future funding, it is possible that these priorities may change. If this occurs, these changes will be reported in subsequent updates of the Campus Master Plan.

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It should be noted that funding amounts are based upon current dollar values; no extraordinary inflationary factors have been assumed. Adjustments for inflation will be made each year as the University prepares and submits its Fixed Capital Outlay Budget Request.

2.c. Basis of the Cost Estimates

Cost estimates for on-campus capital improvements are based in part upon recent recommendations for construction and project costs per square foot for various space types provided by the Board of Governors and reflect historical construction data from FSU and other institutions in the State University System. Because of vagaries in the construction industry in the State of Florida, these recommendations are adjusted to meet local and regional conditions. Other types of improvements are based upon other historical sources, such as previous on-campus construction, industry standards, and direct material take-offs.

The project cost estimates reflected on the spreadsheets contained in this section include more than just the cost of construction materials and labor. Site improvements, design professional fees, surveys and tests, resident inspection, communications, artwork, furnishings and equipment, and contingency costs are also included in the standard format utilized by the University.

2.d. Assessment of the University's Ability to Finance Capital Improvements

2.d.1 Forecasting of Revenue and Expenditures for the Planning Period

In September 2006, the Board of Governors distributed the following forecast of the net available PECO revenue expected to be available for the state universities in the next three years:

<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
\$287,282,010	\$116,567,444	\$122,267,355

These figures are based upon the results of a Revenue Estimating Conference held earlier that year. At the present time, it is not possible to accurately predict exactly how much of this funding will be made available to Florida State University.

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In developing the State University System budget request for the next legislative session, the State Board of Governors recently proposed a three year PECO list which includes the following projects at Florida State University:

	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
Utilities/Infrastructure/Capital Renewal (P,C) (P,C) (P,C)	\$4,148,460	\$3,632,607	\$10,500,000
Neuroscience & Reading Institute (C,E)	\$21,250,000		
Life Sciences Teaching & Research Center (C,E)	\$11,500,000		
College of Education Expansion (C,E)	\$8,900,000	\$1,000,000	

Note letter designations: P=planning, C=construction, and E=equipment.

2.e.2. Projection of Operating Costs

As a general rule, projects funded from PECO appropriations are accepted by the Legislature and operations and maintenance costs are subsequently funded. The University is required to report in annual submission form the expected occupancy dates for projects expected to be substantially completed within the following 24-month period. If the University wishes to seek state revenue for the operations and maintenance of projects that are funded from sources other than PECO, then it is required to petition the Department of Education, Board of Governors and eventually the Legislature as part of the Fixed Capital Outlay Budget Request process.

2.e.3. Projections of Other Tax Bases and Revenue Sources

At the present time, it is not possible to accurately determine projections of other tax bases and revenue sources, such as impact and user fees. Such projections will be included in future master plan updates should accurate tax base and revenue source information become available.

2.e.f. Analysis Comparing the Host Community and the University's Cost Estimates for Future Improvements Generated by University Infrastructure Impacts

Once the update of the Campus Master Plan has been adopted, the Tallahassee/Leon County Planning Department and the City of Tallahassee Growth Management Department will develop the host community's cost estimate for future improvements generated by University infrastructure impacts. This estimate is expected to include

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those University projects commenced during the duration of the existing development agreement executed between FSU and the City of Tallahassee. An attempt will also be made by these staff persons to estimate the cost of impacts created by University projects during the current fiscal year (FY 2006-07). These estimates will be included in future updates of the university's campus master plan.