

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), 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 Traditions Hall, a University residence hall, and Parking Garage Number Six are examples of recently completed bonded projects.

Another source of revenue for accomplishing capital improvements is derived from private donations. In the past, such donations were eligible for State match through the Alec P. Courtelis Facilities Improvement Challenge Grant Program. Several of the major projects identified in the Campus Master Plan were realized using that funding mechanism. However, that program is no longer being funded and other sources of matches are sometimes utilized, such as those from the FSU Foundation or the FSU Research Foundation.

Another funding source that was used in the past to complete capital projects was the State's Concurrency Trust Fund. In almost all instances, these funds were transferred to the City of Tallahassee for improvements targeted at addressing the University's off-

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campus concurrency obligations. In one particular circumstance, however, Concurrency Trust Funds were utilized to complete an on-campus transportation-related improvement. The future use of these funds, by either the University or the City of Tallahassee, is unlikely since this trust fund has been suspended by the Legislature.

1.c. Operations and Maintenance Costs for Existing Facilities

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 2014-15), the University's E&G budget allocation for the Facilities Department was approximately \$58.6 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 Florida State University, the timing and funding of new construction / remodeling / renovation projects and other capital improvements are defined 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 projects. This list is commonly referred to as the Five Year Capital Improvement Plan or Five Year PECO List. It is typically prepared the year prior to Legislative consideration in order to allow review by university, Board of Governors, and Legislative staff.

The annual Fixed Capital Outlay Budget Request is a document that is approved by the University's Board of Trustees before submittal to the Florida Board of Governors. Typically, staff in the Facilities Planning and Space Management Section develop a draft version which is preliminarily reviewed by the University President and appropriate members of his/her administration. The draft is based upon a number of blended factors, including the continuation of project specific appropriations, recurring needs, and new initiatives. Documentation is developed which explains the project, summarizes the space involved, and calculates the total project cost. Projects which remain on the prioritized list of capital needs from the year before are reviewed and updated as necessary for resubmission. Projects which received their terminal funding are accordingly removed from the list. The budget request also includes other funding sources, such as Capital Improvement Trust Fund (CITF), and other initiatives

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that require Board of Governors or Legislative approval, such as bonding and operational funding requests. Facilities Planning staff monitors and adjusts the budget request during the time after submittal to the Board of Governors.

Because Capital Improvement Trust Funds are not released by the State on a regular basis, the timing of projects funded by Capital Improvement Trust Funds is less certain. The Division of Student Affairs has instituted a CITF Long Range Planning Committee to coordinate the development of future CITF funded projects. The Committee is composed of students, faculty and staff. It is called upon to develop a prioritized list of funding recommendations which, according to statute, are jointly considered by the University President and the President of the Student Government Association. Final recommendations for the use of CITF funds are approved by the University's Board of Trustees through the Fixed Capital Outlay budgetary process (see description above).

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.

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 or near capacity. Within these facilities, certain spaces, such as classrooms, offices and labs, sometimes operate with more people than they were originally designed to accommodate. Accordingly, the University is continually seeking methods of alleviating space pressures by either expanding buildings or, more often, through remodeling efforts to make most efficient use of existing space. The development of such strategies and their subsequent implementation are part of the mission of the Facilities Department. Facilities Department staff typically work with affected departments to analyze the assignment and use of space and to development opportunities for new, remodeled or renovated space. Such studies frequently use the services of outside design and construction professionals who are under continuing contract to the University. Recommendations for improvements are typically reviewed at the department, dean, and vice president/provost levels. If necessary, presidential and Trustee approval is secured before implementation is begun. The

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funding for these studies and the implementation of any recommendations are usually derived from a variety of sources.

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 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.

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.

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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 December 2014, the Florida Department of Education distributed the following forecast of the net available PECO revenue expected to be available for the State universities in the next four years:

2015-16	2016-17	2017-18	2018-19
\$87,394,567	\$87,117,497	\$97,945,607	\$100,748,751

These figures are based upon the results of a Revenue Estimating Conference held earlier in the 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.

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:

	FY 2015-16	FY 2016-17	FY 2017-18
Earth Ocean Atmospheric Sciences Building (Ph I) (P,C) (C,E) (E)	\$ 36,100,000	\$ 5,000,000	
STEM Teaching Lab Building (P) (C,E) (E)		\$ 2,200,000	\$ 29,700,000

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

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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.4 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 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 2014-15). These estimates will be included in future updates of the university's campus master plan.